

TOWN OF ROUND MOUNTAIN, NEVADA

**REPORT ON FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION**

YEAR ENDED JUNE 30, 2021

**ROUND MOUNTAIN TOWN
REPORT ON FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021
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**TOWN OF ROUND MOUNTAIN, NEVADA
TOWN BOARD MEMBERS
JUNE 30, 2021**

CHAIRPERSON

James Swigart

TOWN BOARD:

Heather Enzi

Vice-chairperson

Robert Spivey, Jr.

Clerk

Nicole Silberschlag

Member

Samantha Faga

Member

DANIEL C. McARTHUR, LTD.

Certified Public Accountant

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INDEPENDENT AUDITOR'S REPORT

Honorable Board Members
Town of Round Mountain, Nevada
Round Mountain, Nevada

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Round Mountain, Nevada (the Town), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town, as of June 30, 2021, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparisons for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5-11, Schedule of the Town's Contributions to the Public Employees' Retirement System of the State of Nevada on page 44, and Schedule of the Town's Proportionate Share of the Net Pension Liability of the Public Employees' Retirement System of the State of Nevada on page 45 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The combining and individual fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

Prior Year Comparative Information

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of the Town as of and for the year ended June 30, 2020 (not presented herein), and have issued our report thereon dated November 23, 2020, which contained unmodified opinions on the respective financial statements of the governmental activities, business type of activities, each major fund, and the aggregate remaining fund information. The combining and individual fund financial statements and schedules for the year ended June 30, 2020, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2020 financial statements. The combining and individual fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the 2020 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those financial statements or to those financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2020 combining and individual fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended June 30, 2020.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 3, 2022, on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.



Las Vegas, Nevada
January 3, 2022

**TOWN OF ROUND MOUNTAIN, NEVADA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2021**

The Management's Discussion and Analysis ("MD&A") introduces the financial reports for the Town of Round Mountain, Nevada ("Town") and is designed to give the reader an easy-to-understand overview of the Town's financial position and results of operations for the year. The MD&A is separated into Financial Highlights, an Overview of the Financial Statements, Government-Wide Financial Analysis, Financial Analysis of the Town's Major Funds, Capital Assets, Long-term Debt Obligations, Budgetary Highlights, and Economic Factors and Next Year's Budget Rates.

FINANCIAL HIGHLIGHTS

The assets and deferred outflows of the Town exceeded its liabilities and deferred inflows at the close of the 2021 fiscal year by \$11,602,864 (net position). Total net position represents approximately \$5,211,196 in capital assets, net of related debt, \$316,928 in assets restricted for capital projects, \$273,373 in assets restricted for public safety, and \$626,927 in assets restricted for public works. The remaining \$5,174,440 represents unrestricted net position which may be used to meet the Town's ongoing obligations to its citizens and creditors.

The government-wide net position of the Town increased during the fiscal year 2021 from \$10,447,352 to \$11,602,864.

The Town's primary revenue sources for governmental activities were ad valorem taxes (property taxes) of \$1,517,915 and consolidated taxes (sales taxes) of \$422,643. These revenue sources comprised 72.03% and 20.06%, respectively, or 92.09%, of total governmental activities revenues.

The Town's total expenses were \$1,277,360. The greatest governmental activities expenses were \$527,992 in general government and \$268,250 in the culture and recreation function. The business-type activities contributed \$271,741 to the Town's total expenses.

At the end of fiscal year 2021, the Town's governmental funds reported combined fund balances of \$6,766,698, an increase of \$1,040,005 when compared to the previous year.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Town's basic financial statements which consist of government-wide financial statements, fund financial statements, and accompanying notes to the financial statements.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with an overview of the Town's financial position in a manner similar to a private-sector business.

The Statement of Net Position combines and consolidates all of the Town's assets and liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. This includes combining current financial resources (short-term spendable resources) with capital assets and long-term obligations using the accrual basis of accounting. Net position is separated into three components: invested in capital assets, net of related debt; restricted; and unrestricted net position. Net position is an indicator of the overall financial position of the Town and the change in net position from year to year is an indicator of the financial position improving or deteriorating.

**TOWN OF ROUND MOUNTAIN, NEVADA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2021**

Government-Wide Financial Statements (Continued)

The Statement of Activities presents information showing how the Town's net position changed during the most recent fiscal year. All changes in net position are reported when the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation and sick leave).

The government-wide financial statements report two types of activities: governmental activities and business-type activities. The government-wide financial statements distinguish functions of the Town that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Town include general government, public safety, public works, and culture and recreation. The business-type activities include water and sewer utility operations.

Fund Financial Statements

A fund is a grouping of accounts that is used to maintain control over revenues that are designated for a specific purpose within the government. The Town uses fund financial statements to provide detailed information about its most significant funds. The Town of Round Mountain funds are classified into two categories: governmental funds and proprietary funds.

Governmental Funds – Governmental funds account for essentially the same functions reported as governmental activities in the government-wide financial statements described above. However, unlike the government-wide financial statements, governmental fund financial statements use the modified accrual basis of accounting, which focuses on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. To provide a better understanding of the relationship between the fund financial statements and government-wide financial statements, a reconciliation is provided.

The Town maintains individual governmental funds. Information is presented separately in the governmental balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, which is considered to be a major fund. Data from the other governmental funds are combined into a single column for presentation. Individual fund information for each of these nonmajor governmental funds is provided in the combining and individual fund statements and schedules.

The Town adopts an annual appropriated budget for each of its governmental funds. A budgetary comparison statement is provided for each of the Town's governmental funds to demonstrate compliance with the budget.

Proprietary Funds –The Town maintains one type of proprietary fund: The Enterprise Fund. The Enterprise Fund is used to report the same functions presented as business-type activities in the government-wide financial statements. The Town uses the Enterprise Fund to account for its water and sewer utility activities.

Proprietary funds provide the same type of information as the government-wide financial statements, but in more detail.

Notes to Financial Statements

The notes to the financial statements provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements.

Other Information

The combining statements and individual fund schedules are presented immediately following the notes to the financial statements.

**TOWN OF ROUND MOUNTAIN, NEVADA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2021**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The government-wide financial statements are structured to report financial information on the Town as a whole. Condensed financial information with comparative amounts from the prior year is presented along with the accompanying analysis.

Net position of the Town as of June 30, 2021, is summarized and analyzed below:

	Net Position					
	Governmental Activities		Business-type Activities		Total Primary Government	
	2021	2020	2021	2020	2021	2020
Assets:						
Current and other assets	\$ 6,920,000	\$ 5,785,911	\$ 612,149	\$ 512,397	\$ 7,532,149	\$ 6,298,308
Net capital assets	3,152,852	3,121,090	2,058,344	2,105,721	5,211,196	5,226,811
Total assets	10,072,852	8,907,001	2,670,493	2,618,118	12,743,345	11,525,119
Deferred outflows of resources:	111,216	118,226	6,233	11,552	117,449	129,778
Liabilities:						
Current liabilities	116,996	52,004	20,765	18,461	137,761	70,465
Long-term liabilities	945,595	914,222	117,848	114,748	1,063,443	1,028,970
Total liabilities	1,062,591	966,226	138,613	133,209	1,201,204	1,099,435
Deferred inflows of resources:	55,495	94,720	1,231	13,390	56,726	108,110
Net Position:						
Invested in capital assets, net of related debt	3,152,852	3,121,090	2,058,344	2,105,721	5,211,196	5,226,811
Restricted	1,217,228	1,125,689	-	-	1,217,228	1,125,689
Unrestricted	4,695,902	3,717,502	478,538	377,350	5,174,440	4,094,852
Total net position	<u>\$ 9,065,982</u>	<u>\$ 7,964,281</u>	<u>\$ 2,536,882</u>	<u>\$ 2,483,071</u>	<u>\$ 11,602,864</u>	<u>\$ 10,447,352</u>

The Town's assets exceeded liabilities by \$11,602,864 at the close of the current year and total net position increased by \$1,155,512, or 11.06%.

The largest portion of the Town's net position, \$5,211,196, or 44.91%, reflects its investment in capital assets (e.g., land, buildings, machinery and equipment, etc.), net of any related debt outstanding used to acquire those assets. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the Town had no debt related to capital assets for the years ended June 30, 2021 and 2020.

The Town's total net position of \$11,602,864 includes unrestricted net position totaling \$5,174,440. This is used to meet the ongoing obligations of the Town. Portions of net position are subject to external restrictions on how they may be used. In the current year, there was restricted net position of \$1,217,228.

**TOWN OF ROUND MOUNTAIN, NEVADA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2021**

Changes in net position of the Town are summarized as follows:

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Revenues:						
Program revenues:						
Charges for services	\$ 29,003	\$ 32,416	\$ 327,084	\$ 333,788	\$ 356,087	\$ 366,204
General revenues:						
Ad valorem taxes	1,517,915	1,294,916	-	-	1,517,915	1,294,916
Consolidated taxes	422,643	388,782	-	-	422,643	388,782
Public safety sales taxes	65,236	63,450	-	-	65,236	63,450
Fuel taxes	88,416	70,322	-	-	88,416	70,322
Investment income (loss)	(17,540)	158,072	(1,602)	12,089	(19,142)	170,161
Miscellaneous	1,647	986	70	280	1,717	1,266
Total revenues	<u>2,107,320</u>	<u>2,008,944</u>	<u>325,552</u>	<u>346,157</u>	<u>2,432,872</u>	<u>2,355,101</u>
Expenses:						
General government	527,992	502,779	-	-	527,992	502,779
Public safety	170,264	114,312	-	-	170,264	114,312
Public works	39,113	23,280	-	-	39,113	23,280
Culture and recreation	268,250	281,624	-	-	268,250	281,624
Water and sewer	-	-	271,741	248,007	271,741	248,007
Total expenses	<u>1,005,619</u>	<u>921,995</u>	<u>271,741</u>	<u>248,007</u>	<u>1,277,360</u>	<u>1,170,002</u>
Change in net position	1,101,701	1,086,949	53,811	98,150	1,155,512	1,185,099
Net position - beginning	<u>7,964,281</u>	<u>6,877,332</u>	<u>2,483,071</u>	<u>2,384,921</u>	<u>10,447,352</u>	<u>9,262,253</u>
Net position - ending	<u>\$ 9,065,982</u>	<u>\$ 7,964,281</u>	<u>\$ 2,536,882</u>	<u>\$ 2,483,071</u>	<u>\$ 11,602,864</u>	<u>\$ 10,447,352</u>

Program revenues include charges for services.

General revenues consist of taxes and investment income. For governmental activities, the largest of these revenues was ad valorem taxes. The second largest revenue was consolidated taxes (mainly sales tax). The business-type general revenue came from charges for services related to water and sewer utility.

**TOWN OF ROUND MOUNTAIN, NEVADA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2021**

FINANCIAL ANALYSIS OF THE TOWN'S FUNDS

Governmental Funds

As of the end of the current fiscal year, the Town's governmental funds reported a combined ending fund balance of \$6,766,698. This is an increase over the prior year of \$1,040,005, or 18.16%. Fund balance components have been classified as restricted, assigned, and/or unassigned based on the extent to which the Town is to observe constraints on the use of the funds. Restricted fund balance is \$1,217,228, or 17.99%, of the total. Spending of these funds is constrained by externally imposed (statutory, bond covenant, or grantors) limitations on their use. The restricted fund balances include \$626,927 for public works, \$273,373 for public safety, and \$316,928 for capital projects.

Major Funds

General Fund: The General Fund is the chief operating fund of the Town. At the end of the current fiscal year, the fund balance of the General Fund was \$5,549,470, an increase of \$948,466, or 20.61%, over the prior year.

Factors in the change in the fund balance of the General Fund are as follows:

Revenues increased by \$112,372, or 6.25%. Tax revenue increased by \$221,395, or 17.70%, mainly due to an increase in property taxes and net proceeds received. Intergovernmental revenues increased by \$33,361, or 8.57%, due to an increase in consolidated tax revenue. Miscellaneous revenues decreased \$140,042, due to a decrease in investment income due to a decline in fair market value.

Expenditures increased by \$118,054, or 13.97%. General government expenditures increased \$40,473, or 8.05%, due to capital purchases for administration. Culture and recreation expenditures increased by \$26,850, or 10.29%. The increase was for recreation equipment. Public safety expenditures increased by \$47,663, or 75.63%, primarily due to the purchase of fire equipment.

Proprietary Funds – Major Enterprise Fund

The Town's water and sewer utility enterprise fund financial statement provides the same type of information found in the government-wide financial statements, but in more detail. Unrestricted net position of the enterprise fund totaled \$478,538. Total net position of the enterprise fund increased \$53,811, or 2.17%.

Operating revenues decreased by \$6,704, or 2.01%. Operating expenses increased by \$23,734, or 9.57%, due to increases salaries, benefits, services and supplies, and depreciation.

GENERAL FUND BUDGETARY HIGHLIGHTS

Nevada Statutes require that the Town legally adopt budgets for all funds. Budgets are prepared in accordance with generally accepted accounting principles. The final appropriated budget is prepared by fund, function, and object. All appropriations lapse at year-end.

The actual General Fund balance of \$5,549,470 was \$1,070,687 higher than anticipated to begin the 2021-2022 year.

The most significant differences between estimated revenues and actual revenues were greater than anticipated property taxes of \$69,074, net proceeds of \$606,115, and consolidated taxes of \$172,643. Overall revenues were \$837,525 higher than budgeted. It is the budget policy of the Town to not budget for net proceeds tax due to the volatile nature of the tax. Consolidated tax is driven by sales tax levied on sales within Nye County.

**TOWN OF ROUND MOUNTAIN, NEVADA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2021**

GENERAL FUND BUDGETARY HIGHLIGHTS (Continued)

Total expenditures in the General Fund were \$1,277,995 lower than budgeted. The General Government function expenditures were \$864,389 lower than budgeted. The budget included capital projects of \$500,000 that did not happen. The Public Safety function expenditures were \$59,922 lower than budgeted. Service and supplies were less than budgeted but were similar in amount compared to the prior year. The Public Works function expenditures were \$44,675 lower than budgeted. Budgeted capital costs were not incurred. The Culture and Recreation function expenditures were \$309,009 lower than budgeted. Swimming pool capital costs were not incurred and recreation capital costs were less than anticipated.

CAPITAL ASSETS

At June 30, 2021, the Town's governmental type activity had \$3,152,852 (net) invested in capital assets, including land, building, and equipment. This amount represents a net increase (including additions, deletions, and depreciation) of \$31,762 from the previous year. At June 30, 2021, the Town's business-type activity had \$2,058,344 (net) invested in capital assets. This amount represents a net decrease (including additions, deletions, and depreciation) of \$47,377 from the previous year.

Capital assets, net of related debt, reflect 44.91% of the net position of the Town. The Town uses capital assets to provide services to the citizens of the Town of Round Mountain and consequently these assets are not available for future spending.

This table reflects additions and disposals to capital assets for the governmental type activities:

<u>Governmental Activities:</u>	Balance June 30, 2020	Additions	Deletions	Balance June 30, 2021
Capital assets not being depreciated:				
Land	\$ 481,416	\$ 0	\$ 0	\$ 481,416
Construction in Progress	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total capital assets not being depreciated:	<u>481,416</u>	<u>0</u>	<u>0</u>	<u>481,416</u>
Capital assets being depreciated:				
Building	3,627,310	0	0	3,627,310
Equipment	<u>2,173,716</u>	<u>206,701</u>	<u>0</u>	<u>2,380,417</u>
Total capital assets being depreciated	<u>5,801,026</u>	<u>206,701</u>	<u>0</u>	<u>6,007,727</u>
Less accumulated depreciation for:				
Building	1,347,097	109,377	0	1,456,474
Equipment	<u>1,814,255</u>	<u>65,562</u>	<u>0</u>	<u>1,879,817</u>
Total accumulated depreciation	<u>3,161,352</u>	<u>174,939</u>	<u>0</u>	<u>3,336,291</u>
Total capital assets depreciated, net	<u>2,639,674</u>	<u>31,762</u>	<u>0</u>	<u>2,671,436</u>
Governmental activities assets, net	<u>\$ 3,121,090</u>	<u>\$ 31,762</u>	<u>\$ 0</u>	<u>\$ 3,152,852</u>

Additions include vehicle, fire equipment, recreation equipment, and computer equipment.

This table reflects additions and disposals to capital assets for the business-type activities:

<u>Business-Type Activities:</u>	Balance June 30, 2020	Additions	Deletions	Balance June 30, 2021
Capital assets being depreciated:				
Distribution system	\$ 3,312,453	\$ 57,683	\$ 0	\$ 3,370,136
Less accumulated depreciation for:				
Distribution system	<u>1,206,732</u>	<u>105,060</u>	<u>0</u>	<u>1,311,792</u>
Business-type activities assets, net	<u>\$ 2,105,721</u>	<u>\$ (47,377)</u>	<u>\$ 0</u>	<u>\$ 2,058,344</u>

Additions include a vacuum trailer.

Capitalization limits on capital assets was \$500 for the year ended June 30, 2021.

**TOWN OF ROUND MOUNTAIN, NEVADA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2021**

DEBT ADMINISTRATION

Changes in Long-term Debt: During the year ended June 30, 2021, the following changes occurred in long-term debt:

	Balance June 30, 2020	Additions	Deletions	Balance June 30, 2021	Due within one year
Governmental Activities:					
Compensated Absences	\$ 17,858	\$ 0	\$ 1,646	\$ 16,212	\$ 9,653
Net Pension Liability	905,554	33,482	0	939,036	0
Total Governmental Activities	<u>\$ 923,412</u>	<u>\$ 33,482</u>	<u>\$ 1,646</u>	<u>\$ 955,248</u>	<u>\$ 9,653</u>
Business-Type Activities:					
Compensated Absences	\$ 355	\$ 48	\$ 0	\$ 403	\$ 403
Net Pension Liability	114,748	3,100	0	117,848	0
Total Business-Type Activities	<u>\$ 115,103</u>	<u>\$ 3,148</u>	<u>\$ 0</u>	<u>\$ 118,251</u>	<u>\$ 403</u>

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The Town approved the budget for the 2021-2022 year on May 25, 2021. The following factors were considered in the development of the budget.

- Property taxes are budgeted to be higher due to an increase in assessed valuation. The valuation increase is due to increased mining activity.
- The Town budgeted additional General Government expenditures for increased staffing and capital outlay for all functions.

REQUESTS FOR INFORMATION

This financial report is designed to provide its users with a general overview of the Town of Round Mountain, Nevada's finances and to demonstrate the Town's accountability for the revenues it receives. Any comments, further questions, or requests for additional information should be addressed to:

Town Administration
Town of Round Mountain, Nevada
PO Box 1369
Round Mountain, Nevada 89045

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For the year ended June 30, 2021

BASIC FINANCIAL STATEMENTS

TOWN OF ROUND MOUNTAIN, NEVADA
STATEMENT OF NET POSITION
JUNE 30, 2021

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Assets			
Pooled cash and investments	\$ 6,739,440	\$ 525,735	\$ 7,265,175
Interest receivable	14,017	1,070	15,087
Taxes receivable	46,041	-	46,041
Due from other governments	120,502	-	120,502
Accounts receivable (net)	-	28,085	28,085
Prepaid items	-	1,914	1,914
Inventory	-	55,345	55,345
Capital assets, net of accumulated depreciation	<u>3,152,852</u>	<u>2,058,344</u>	<u>5,211,196</u>
 Total assets	 <u>10,072,852</u>	 <u>2,670,493</u>	 <u>12,743,345</u>
Deferred outflows of resources			
Deferred pension charge	<u>111,216</u>	<u>6,233</u>	<u>117,449</u>
Liabilities			
Accounts payable	71,130	3,273	74,403
Accrued payroll	36,213	5,339	41,552
Customer deposits	-	11,750	11,750
Current portion of long term liabilities:			
Accrued compensated absences	9,653	403	10,056
Long term liabilities:			
Accrued compensated absences	6,559	-	6,559
Net pension liability	<u>939,036</u>	<u>117,848</u>	<u>1,056,884</u>
 Total liabilities	 <u>1,062,591</u>	 <u>138,613</u>	 <u>1,201,204</u>
Deferred inflows of resources			
Deferred pension charge	<u>55,495</u>	<u>1,231</u>	<u>56,726</u>
Net position			
Invested in capital assets, net of related debt	3,152,852	2,058,344	5,211,196
Restricted for:			
Capital projects	316,928	-	316,928
Public safety	273,373	-	273,373
Public works	626,927	-	626,927
Unrestricted	<u>4,695,902</u>	<u>478,538</u>	<u>5,174,440</u>
Total net position	<u>\$ 9,065,982</u>	<u>\$ 2,536,882</u>	<u>\$ 11,602,864</u>

The notes to the financial statements are an integral part of this statement.

TOWN OF ROUND MOUNTAIN, NEVADA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021

Functions/Programs	Program Revenues		Changes in Net Position		
	Expenses	Charges for Service	Governmental Activities	Business-type Activities	Total
Primary governments:					
General government	\$ (527,992)	\$ 7,872	\$ (520,120)	\$ -	\$ (520,120)
Public safety	(170,264)	-	(170,264)	-	(170,264)
Public works	(39,113)	4,988	(34,125)	-	(34,125)
Culture and recreation	(268,250)	16,143	(252,107)	-	(252,107)
Total governmental activities	(1,005,619)	29,003	(976,616)	-	(976,616)
Business-type activities:					
Water and sewer	(271,741)	327,084	-	55,343	55,343
Total primary governments	\$ (1,277,360)	\$ 356,087	(976,616)	55,343	(921,273)
General Revenues:					
Ad valorem taxes			1,517,915	-	1,517,915
Consolidated taxes			422,643	-	422,643
Public safety sales taxes			65,236	-	65,236
Fuel taxes			88,416	-	88,416
Investment income (loss)			(17,540)	(1,602)	(19,142)
Miscellaneous			1,647	70	1,717
Total general revenues			2,078,317	(1,532)	2,076,785
Change in net position			1,101,701	53,811	1,155,512
Net position - beginning of year			7,964,281	2,483,071	10,447,352
Net position - end of year			\$ 9,065,982	\$ 2,536,882	\$ 11,602,864

The notes to the financial statements are an integral part of this statement

TOWN OF ROUND MOUNTAIN, NEVADA
BALANCE SHEET-GOVERNMENTAL FUNDS
JUNE 30, 2021

	Major Fund	Other Governmental Funds	Total Governmental Funds
	General		
Assets			
Pooled cash and investments	\$ 5,552,724	\$ 1,186,716	\$ 6,739,440
Interest receivable	11,573	2,444	14,017
Taxes receivable	46,041	-	46,041
Due from other governments	91,154	29,348	120,502
Total assets	\$ 5,701,492	\$ 1,218,508	\$ 6,920,000
Liabilities			
Accounts payable	\$ 69,850	\$ 1,280	\$ 71,130
Accrued payroll	36,213	-	36,213
Total liabilities	106,063	1,280	107,343
Deferred Inflows of Resources			
Unavailable revenue-property taxes	45,959	-	45,959
Fund Balance			
Restricted for:			
Capital projects	-	316,928	316,928
Public safety	-	273,373	273,373
Public works	-	626,927	626,927
Assigned for subsequent year	4,478,783	-	4,478,783
Unassigned	1,070,687	-	1,070,687
Total fund balance	5,549,470	1,217,228	6,766,698
Total liabilities, deferred inflows of resources and fund balance	\$ 5,701,492	\$ 1,218,508	\$ 6,920,000

The notes to the financial statements are an integral part of this statement.

**TOWN OF ROUND MOUNTAIN, NEVADA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
FOR THE YEAR ENDED JUNE 30, 2021**

Total fund balance - governmental funds **\$ 6,766,698**

Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets net of the related depreciation are not reported in the governmental funds financial statement because they are not current financial resources, but they are reported in the Statement of Net Position. 3,152,852

Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds. 45,959

Compensated absences are not reported in the governmental funds financial statement because they are not due and payable, but they are presented as liabilities in the Statement of Net Position. (16,212)

The Town's proportionate share of net pension assets and liabilities as well as pension-related deferred outflows and deferred inflows of resources are recognized in the government-wide statements and include:

Deferred outflows from pension activity. 111,216

Net pension liability. (939,036)

Deferred inflows from pension activity. (55,495)

Total net position - governmental activities **\$ 9,065,982**

The notes to the financial statements are an integral part of this statement.

TOWN OF ROUND MOUNTAIN, NEVADA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Major Fund</u>	Other	Total
	General	Governmental Funds	Governmental Funds
Revenues			
Taxes	\$ 1,472,199	\$ -	\$ 1,472,199
Licenses and permits	6,342	-	6,342
Intergovernmental	422,643	169,813	592,456
Charges for services	18,227	-	18,227
Fines and forfeitures	1,530	-	1,530
Miscellaneous	<u>(9,406)</u>	<u>(3,583)</u>	<u>(12,989)</u>
Total revenues	<u>1,911,535</u>	<u>166,230</u>	<u>2,077,765</u>
Expenditures			
Current:			
General government	543,339	-	543,339
Public safety	110,688	57,585	168,273
Public works	21,325	17,106	38,431
Culture and recreation	<u>287,717</u>	<u>-</u>	<u>287,717</u>
Total expenditures	<u>963,069</u>	<u>74,691</u>	<u>1,037,760</u>
Excess (deficiency) of revenues over expenditures	948,466	91,539	1,040,005
Fund balance			
Beginning of year	<u>4,601,004</u>	<u>1,125,689</u>	<u>5,726,693</u>
End of year	<u>\$ 5,549,470</u>	<u>\$ 1,217,228</u>	<u>\$ 6,766,698</u>

The notes to the financial statements are an integral part of this statement.

TOWN OF ROUND MOUNTAIN, NEVADA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021

Net change in fund balance - governmental funds **\$ 1,040,005**

Amounts reported for governmental activities in the Statement of Activities are different because:

Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the Statement of Net Position and allocated over the estimated useful lives as annual depreciation expense in the Statement of Activities. 31,762

Property taxes that are collected in the time to pay obligations of the current period are reported as revenue in the fund statements. However, amounts that relate to prior periods that first become available in the current period should not be reported as revenue in the Statement of Activities. 29,555

Generally, compensated absence expenditures recognized in fund financial statements are limited to only those that use current financial resources, but expenses are recognized in the Statement of Activities when incurred. 1,646

Net differences between pension system contributions recognized in the fund statement of revenues, expenditures, and changes in fund balances and the Statement of Activities:

Pension contributions made after measurement date (2020 contributions). 39,671

Net pension expense. (40,938)

Change in net position of governmental activities **\$ 1,101,701**

The notes to the financial statements are an integral part of this statement.

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For the year ended June 30, 2021

TOWN OF ROUND MOUNTAIN, NEVADA
MAJOR FUND - GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes:				
Property taxes	\$ 797,010	\$ 797,010	\$ 866,084	\$ 69,074
Net proceeds	-	-	606,115	606,115
Total taxes	<u>797,010</u>	<u>797,010</u>	<u>1,472,199</u>	<u>675,189</u>
Licenses and permits:				
Gaming licenses	2,000	2,000	5,062	3,062
Liquor licenses	500	500	1,280	780
Total licenses and permits	<u>2,500</u>	<u>2,500</u>	<u>6,342</u>	<u>3,842</u>
Intergovernmental:				
Consolidated tax	<u>250,000</u>	<u>250,000</u>	<u>422,643</u>	<u>172,643</u>
Charges for services:				
Swimming pool	1,000	1,000	1,789	789
Arcade/Vending	-	-	600	600
Weight room fees	15,000	15,000	10,850	(4,150)
Water charges	4,000	4,000	4,988	988
Total charges for services	<u>20,000</u>	<u>20,000</u>	<u>18,227</u>	<u>(1,773)</u>
Fines and forfeitures	<u>1,000</u>	<u>1,000</u>	<u>1,530</u>	<u>530</u>
Miscellaneous:				
Rent	3,500	3,500	2,904	(596)
Investment income (loss)	-	-	(13,957)	(13,957)
Other	-	-	1,647	1,647
Total miscellaneous	<u>3,500</u>	<u>3,500</u>	<u>(9,406)</u>	<u>(12,906)</u>
Total revenues	<u>1,074,010</u>	<u>1,074,010</u>	<u>1,911,535</u>	<u>837,525</u>

The notes to the financial statements are an integral part of this statement.

TOWN OF ROUND MOUNTAIN, NEVADA
MAJOR FUND - GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Expenditures				
General government:				
Administration:				
Salaries and wages	\$ 305,606	\$ 305,606	\$ 141,615	\$ 163,991
Employee benefits	89,787	89,787	65,962	23,825
Services and supplies	148,100	148,100	91,720	56,380
Capital outlay	58,000	58,000	44,915	13,085
Total administration	<u>601,493</u>	<u>601,493</u>	<u>344,212</u>	<u>257,281</u>
Building and Grounds:				
Salaries and wages	114,869	114,869	88,263	26,606
Employee benefits	73,766	73,766	41,393	32,373
Services and supplies	117,600	117,600	69,471	48,129
Capital outlay	500,000	500,000	-	500,000
Total building and grounds	<u>806,235</u>	<u>806,235</u>	<u>199,127</u>	<u>607,108</u>
Total general government	<u>1,407,728</u>	<u>1,407,728</u>	<u>543,339</u>	<u>864,389</u>
Public Safety:				
Hadley Station:				
Employee benefits	-	-	280	(280)
Services and supplies	129,100	129,100	74,348	54,752
Capital outlay	41,510	41,510	36,060	5,450
Total public safety	<u>170,610</u>	<u>170,610</u>	<u>110,688</u>	<u>59,922</u>
Public Works:				
Highways and Streets:				
Services and supplies	15,000	15,000	13,491	1,509
Capital outlay	30,000	30,000	-	30,000
Total highways and streets	<u>45,000</u>	<u>45,000</u>	<u>13,491</u>	<u>31,509</u>
Round Mountain Water:				
Services and supplies	21,000	21,000	7,834	13,166
Total public works	<u>21,000</u>	<u>66,000</u>	<u>21,325</u>	<u>44,675</u>

The notes to the financial statements are an integral part of this statement.

TOWN OF ROUND MOUNTAIN, NEVADA
MAJOR FUND - GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Expenditures (Continued)				
Culture and Recreation:				
Swimming Pool:				
Salaries and wages	\$ 39,360	\$ 39,360	\$ 4,236	\$ 35,124
Employee benefits	5,208	5,208	556	4,652
Services and supplies	43,300	43,300	16,542	26,758
Capital outlay	104,000	104,000	-	104,000
Total swimming pool	<u>191,868</u>	<u>191,868</u>	<u>21,334</u>	<u>170,534</u>
Parks and recreation:				
Salaries and wages	74,606	74,606	50,322	24,284
Employee benefits	49,052	49,052	30,278	18,774
Services and supplies	104,200	104,200	67,076	37,124
Capital outlay	177,000	177,000	118,707	58,293
Total parks and recreation	<u>404,858</u>	<u>404,858</u>	<u>266,383</u>	<u>138,475</u>
Total culture and recreation	<u>596,726</u>	<u>596,726</u>	<u>287,717</u>	<u>309,009</u>
Total expenditures	<u>2,196,064</u>	<u>2,241,064</u>	<u>963,069</u>	<u>1,277,995</u>
Excess (deficiency) of revenues over expenditures	(1,122,054)	(1,167,054)	948,466	2,115,520
Fund balance				
Beginning of year	<u>3,428,727</u>	<u>3,428,727</u>	<u>4,601,004</u>	<u>1,172,277</u>
End of year	<u>\$ 2,306,673</u>	<u>\$ 2,261,673</u>	<u>\$ 5,549,470</u>	<u>\$ 3,287,797</u>

The notes to the financial statements are an integral part of this statement.

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For the year ended June 30, 2021

TOWN OF ROUND MOUNTAIN, NEVADA
MAJOR FUND - ROUND MOUNTAIN PUBLIC UTILITIES ENTERPRISE FUND
STATEMENT OF NET POSITION
PROPRIETARY FUND
JUNE 30, 2021

	2021
Assets	
Current assets:	
Pooled cash and investments	\$ 525,735
Interest receivable	1,070
Accounts receivable (net)	28,085
Prepaid items	1,914
Inventory	55,345
Total current assets	<u>612,149</u>
Capital assets:	
Equipment	3,370,136
Less accumulated depreciation	<u>(1,311,792)</u>
Capital assets (net of accumulated depreciation)	2,058,344
Total assets	<u>2,670,493</u>
Deferred Outflows of Resources	
Deferred pension charge	<u>6,233</u>
Liabilities	
Current liabilities:	
Accounts payable	3,273
Accrued payroll	5,339
Customer deposits	11,750
Accrued compensated absences	<u>403</u>
Total current liabilities	20,765
Long term liabilities:	
Net pension liability	<u>117,848</u>
Total liabilities	<u>138,613</u>
Deferred Inflows of Resources	
Deferred pension charge	<u>1,231</u>
Net position	
Invested in capital assets	2,058,344
Unrestricted	<u>478,538</u>
Total net position	<u>\$ 2,536,882</u>

The notes to the financial statements are an integral part of this statements

TOWN OF ROUND MOUNTAIN, NEVADA
MAJOR FUND - ROUND MOUNTAIN PUBLIC UTILITIES ENTERPRISE FUND
STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN NET POSITION - PROPRIETARY FUND
FOR THE YEAR ENDED JUNE 30, 2021

	2021
Operating revenues	
Charges for services	\$ 327,084
Operating expenses:	
Utility operations:	
Salaries and wages	32,890
Employee benefits	15,699
Services and supplies	118,092
Depreciation	<u>105,060</u>
Total operating expenses	<u>271,741</u>
Operating income (loss)	<u>55,343</u>
Non-operating revenues (expenses)	
Investment income (loss)	(1,602)
Miscellaneous	<u>70</u>
Total non-operating revenues (expenses):	<u>(1,532)</u>
Change in net position	53,811
Net position	
Beginning of year	<u>2,483,071</u>
End of year	\$ <u>2,536,882</u>

The notes to the financial statements are an integral part of this statements

TOWN OF ROUND MOUNTAIN, NEVADA
MAJOR FUND - ROUND MOUNTAIN PUBLIC UTILITIES ENTERPRISE FUND
STATEMENT OF CASH FLOWS
PROPRIETARY FUND TYPE
FOR THE YEAR ENDED JUNE 30, 2021

	2021
Cash flows from operating activities:	
Cash received from customers	\$ 333,435
Cash paid for salaries, wages, and employee benefits	(47,702)
Cash paid for services and supplies	<u>(109,751)</u>
Cash provided by operating activities	175,982
Cash flows from non-capital financing activities:	
Miscellaneous	70
Cash flows from capital and related financing activities:	
Purchase of capital assets	(57,683)
Cash flows from investing activities:	
Investment income (loss)	<u>(1,817)</u>
Net increase in cash	116,552
Cash:	
Beginning of year	<u>409,183</u>
End of year	<u>\$ 525,735</u>
Reconciliation of operating income (loss) to cash provided by operating activities:	
Operating income (loss)	<u>\$ 55,343</u>
Adjustments to reconcile operating income (loss) to cash provided by operating activities:	
Depreciation	105,060
Changes in assets and liabilities:	
(Increase) decrease in accounts receivable	10,196
(Increase) decrease in deferred outflows	5,319
(Increase) decrease in prepaids	8,479
(Increase) decrease in inventory	(1,660)
Increase (decrease) in accounts payable	1,522
Increase (decrease) in accrued payroll	4,579
Increase (decrease) in compensated absences	48
Increase (decrease) in customer deposits	(3,845)
Increase (decrease) in net pension liability	3,100
Increase (decrease) in deferred inflows	<u>(12,159)</u>
Total adjustments	<u>120,639</u>
Cash provided by operating activities	<u>\$ 175,982</u>

The notes to the financial statements are an integral part of this statements

TOWN OF ROUND MOUNTAIN, NEVADA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Town financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations).

1. Reporting Entity

The accompanying financial statements include all of the activities that comprise the financial reporting entity of the Town of Round Mountain ("Town"). The Town is governed by an elected five-member board. The Board is legally separate and fiscally independent from other governing bodies; therefore, the Town is a primary government, and the Town is not reported as a component unit by any other governmental unit.

2. Basic Financial Statements

The Town's basic financial statements consist of the government-wide statements and the fund financial statements. The government-wide financial statements are made up of the Statement of Net Position and the Statement of Activities. These statements include the aggregated financial information of the Town as a whole. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The fund financial statements include financial information for the two fund types: governmental and proprietary. Reconciliations between the fund statements, the Statement of Net Position, and the Statement of Activities are also included along with statements of revenues, expenditures and changes in fund balances that show an original to final budget comparison for the Town's General Fund.

3. Basis of Presentation - Government-Wide Financial Statements

The government-wide financial statements are made up of the Statement of Net Position and the Statement of Activities. These statements include the aggregated financial information of the Town as a whole. Governmental activities are reported separately from business-type activities. As a general rule, the effect of interfund activity has been removed from these statements. While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds, while business-type activities incorporate data from the Town's enterprise fund. Separate financial statements are provided for governmental funds and proprietary funds.

The Statement of Net Position presents the consolidated financial position of the Town at year-end, in separate columns, for both governmental and business-type activities.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or program is offset by program revenues. Direct expenses are those that are specifically associated with a program or service and are, therefore, clearly identifiable to a particular function. Program revenues include charges for services, operating grants and contributions and investment earnings legally restricted to support a specific program. Taxes and other revenues properly not included among program revenues are reported instead as general revenues. This statement provides a net cost or net revenue of specific programs and functions within the Town. Those functions with a net cost are generally dependent on general-purpose tax revenues, such as property tax, to remain operational.

TOWN OF ROUND MOUNTAIN, NEVADA
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4. Basis of Presentation - Fund Financial Statements

The financial accounts of the Town are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts comprised of assets, liabilities, deferred outflows and inflows, fund balance, revenues, and expenditures or expenses, as appropriate. Separate financial statements are provided for governmental funds and proprietary funds.

The fund financial statements provide information about the Town's funds. Separate statements for each fund category – governmental and proprietary – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

The Town reports the following major governmental fund:

General Fund - The General Fund is the general operating fund of the Town. It is used to account for all resources and cost of operations traditionally associated with governments which are not required to be accounted for in other funds.

Additionally, the Town reports the following fund type:

Proprietary Fund

Enterprise Funds – Enterprise Funds are used to account for the goods or services to the public for a fee that makes the entity self-supporting. Currently, there is one Enterprise Fund.

Round Mountain Public Utilities Enterprise Fund - The Round Mountain Public Utilities Fund is used to account for the revenue and expenses associated with providing the delivery of water and sewer services.

5. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

TOWN OF ROUND MOUNTAIN, NEVADA
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

5. Measurement Focus and Basis of Accounting (Continued)

The Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered “measurable” when in the hands of intermediary collecting governments and are then recognized as revenue. The government considers revenues to be “available” if they are collected within 60 days of the end of the current fiscal period. Anticipated refunds of taxes are recorded as liabilities and reductions of revenue when they are measurable, and the payment seems certain. In general, expenditures are recorded when liabilities are incurred. The exception to this rule is that principal and interest on debt service, as well as liabilities related to compensated absences and claims and judgments, are recorded when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

The major revenue sources of the Town include consolidated taxes (generally sales taxes), ad valorem taxes (property taxes), and net proceeds taxes (tax on net proceeds of mines).

Property taxes, consolidated taxes, net proceeds taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end).

The proprietary fund is reported using the economic resources measurement focus and the accrual basis of accounting.

6. Budgetary Information

Nevada Revised Statutes and Town policies and regulations require that local governments legally adopt budgets for all funds. The budgets are filed as a matter of public record with the County Clerk and the State Department of Taxation. The Town staff uses the following procedures to establish, modify, and control the budgetary data reflected in the financial statements:

1. The statutes provide for the following timetable in adoption of budgets:
 - a) On or before April 15, the Town submits to the Nevada State Department of Taxation a tentative budget for the upcoming year. The tentative budget includes proposed expenditures and the means to finance them.
 - b) A public hearing must be held by the Board of Trustees no sooner than the third Monday in May and no later than the last day in May. Notice of the public hearing must be published in the local newspaper not more than 14 nor less than 7 days before the hearing.
 - c) On or Before June 1, the Town Board must adopt a final budget.
2. NRS 354.598005(1) provides that the Town Board may augment the budget of a fund that receives ad valorem tax by a majority vote of the Board providing the Board publishes notice of its intention to act in a newspaper of general circulation within its county at least three days before the date set for adoption of the resolution. If it is desired to augment a fund that does not receive ad valorem tax or an enterprise or internal service fund, the Board may do so by adopting a resolution by majority vote authorizing the augmentation.

TOWN OF ROUND MOUNTAIN, NEVADA
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

6. Budgetary Information (Continued)

3. Nevada Revised Statute 354.598005(5) allows appropriations to be transferred between functions, funds, or contingency accounts if such a transfer does not increase the total appropriation for any fiscal year and is not in conflict with other statutory provisions. The Town Manager may transfer appropriations within any function within a fund. They may also transfer appropriations between functions within a fund, if the Town Board is advised of the action at the next regular meeting, and the action is recorded in the official minutes of the meeting. The Town Board may authorize the transfer of appropriations between funds or from the contingency account if the Town Board announces the transfer of appropriations at a regularly scheduled meeting sets forth the exact amounts to be transferred and the accounts, functions, programs and funds affected. The Town Board must also set forth reasons for the transfer, and the action must be recorded in the official minutes of the meeting.
4. Statutory regulations require budget control to be exercised at the function level within the funds.
5. Generally, budgets for all funds are adopted in accordance with generally accepted accounting principles.
6. There were no budgets augmented during the year.
7. All appropriations lapse at the end of the fiscal year.

7. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance

a. Pooled Cash and Investments

Cash includes cash in the hands of Town officers, cash in the custody of the Nye County Treasurer and cash deposited in interest-bearing accounts at banks by the Nye County Treasurer. The majority of cash and investment transactions of the Town are handled by the Nye County Treasurer's office. Cash balances are combined and invested as permitted by law in combination with County funds. Investments consist of investment in the Nye County Treasurer's Investment Pool. Investments are stated at fair value on the balance sheet. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties other than in a forced or liquidation sale. Changes in the fair value of Town investments are part of investment income that is included in revenue from other sources on the Statement of Activities. (See Note D1)

The Town's cash and cash equivalents in both governmental and proprietary fund types are considered to be cash on hand, cash in custody of the Nye County Treasurer, demand deposits, non-negotiable certificates of deposit, and short-term investments with original maturities of three months or less from the date of acquisition.

The majority of the Town's cash and cash equivalents are in the custody of the Nye County Treasurer as required by Nevada Revised Statutes.

TOWN OF ROUND MOUNTAIN, NEVADA
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

7. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (Continued)

a. Pooled Cash and Investments (Continued)

Nevada Revised Statutes authorize the Town to invest in:

1. Obligations of the U.S. Treasury and U.S. Agencies in which the maturity dates do not exceed more than 10 years from the date of purchase.
2. Negotiable certificates of deposit issued by commercial banks or insured savings and loan associations (those over \$250,000 must be fully collateralized).
3. Negotiable notes or short-term negotiable bonds issued by local governments within Nevada.
4. Eligible bankers' acceptances that do not exceed 180 days maturity and do not exceed 20 percent of the portfolio.
5. Commercial paper with a rating of A-1 or P-1 that does not exceed 270 days maturity and does not exceed 20 percent of the portfolio.
6. The State of Nevada's Local Government Investment Pool.
7. Repurchase agreements that are collateralized at 102 percent of the repurchase price and do not exceed 90 days maturity. Securities used for collateral must meet the criteria listed above.
8. Money market mutual funds which are rated as "AAA" or its equivalent and invest only in securities issued by the Federal Government, U.S. Agencies, or repurchase agreements fully collateralized by such securities.
9. Obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development or obligations publicly issued in the United States by a foreign financial entity registered with the Securities and Exchange Commission, denominated in dollars with a maturity of 5 years or less with a rating of "AA" or better.

The Town has not established an investment policy further limiting its investments.

b. Property Taxes

Taxes on real property are levied in July of each year and are due in July. They can be paid in quarterly installments in August, October, January, and March. In the event of nonpayment, the County Treasurer is authorized to hold the property for two years, subject to redemption upon payment of taxes, penalties and costs, together with interest at the rate of 10 percent per year from the date the taxes were due until paid. If delinquent taxes are not paid within the two-year redemption period, the County Treasurer obtains a deed to the property free of all encumbrances. Upon receipt of a deed, the County Treasurer may sell the property to satisfy the tax lien.

Article X, Section 2 of the Constitution of the State of Nevada limits the total taxes levied by all overlapping governmental units within the boundaries of any County (i.e., the County, the County School District, the State, and any other City, Town, or special District) to an amount not to exceed \$5 per \$100 of assessed valuation of the property being taxed. The Nevada Legislature enacted provisions whereby the combined overlapping tax rate was limited to \$3.64 per \$100 of assessed valuation. The Nevada legislature passed a property tax abatement law in 2005 that generally caps increases in property tax on owner-occupied residential property to 3% and 8% per year for all other property. (See **Note D2 and D4**)

**TOWN OF ROUND MOUNTAIN, NEVADA
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021**

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

7. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (Continued)

c. Net Proceeds

Taxes for the net proceeds of minerals extracted by operators are due annually in May for mining production of the previous calendar year. In accordance with NRS 362.130 tax payments are to be made to the Nevada Department of Taxation on or before May 10th, after which collections are to be remitted to local governments on or before May 30th.

d. Inventories and Prepaid Items

The costs of governmental fund type inventories are recorded as expenditures when purchased rather than when consumed. The proprietary type funds reports inventory expense when consumed rather than when purchased.

Payments to vendors that will benefit periods beyond June 30, 2021, are recorded as expenditures when consumed rather than when purchased in the fund financial statements. They are recorded as prepaid expenses in the government-wide financial statements.

e. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial individual cost of \$500 or more and an estimated useful life in excess of one year. If purchased or constructed, capital assets are recorded at historical cost or estimated historical cost and updated for additions and retirements during the year. Donated capital assets are valued at their estimated value as of the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized.

Infrastructure assets include roads, bridges, underground pipe (other than related to utilities), traffic signals, etc. Neither their historical cost nor related depreciation has historically been reported in the financial statements. The Town is required to capitalize and report its major general infrastructure assets acquired in fiscal years ending after June 30, 1980. In addition, infrastructure assets acquired before June 30, 1980, that received significant reconstruction must be capitalized. Round Mountain Town has no infrastructure assets that were acquired or constructed that must be capitalized.

Land and construction in progress are not depreciated. The other property, plant and equipment of the Town are depreciated using the straight line method over the following estimated useful lives:

<u>Capital Assets</u>	<u>Years</u>
Buildings and Improvements	25-50
Vehicles	8
Various Other Equipment	5-20
Infrastructure	25-50

TOWN OF ROUND MOUNTAIN, NEVADA
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

7. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (Continued)

f. Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. Deferred outflows include the Town's pension related contributions subsequent to the measurement date but before the end of the fiscal year and changes in proportion of the Town's contributions to the Town's proportionate share of the net pension liability.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Town has only one item of this type, which arises only under a modified accrual basis of accounting, which qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from one source, property taxes. This amount is deferred and recognized as an inflow of resources in the period that the amounts become available.

Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. The difference between projected and actual experience and investment earnings are related to the deferred inflows of pensions and the calculation of net pension liability reported on the Statement of Net Position.

g. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Public Employees' Retirement System of Nevada (PERS) and additions to/deductions from PERS's fiduciary net position have been determined on the same basis as they are reported by PERS. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

h. Compensated Absences

Vacation leave and sick leave included in accrued salaries and benefits and recorded as expenditures in governmental fund types is the amount normally liquidated from "available spendable resources" (See Note D5).

In governmental funds, the current portion is recorded as payroll expenditure. The estimated long-term liability for compensated absences is accounted for in the government-wide financial statements. In proprietary funds, compensated absences are recorded when the liabilities are incurred.

i. Accrued Salaries and Benefits

Town salaries earned but not paid by June 30, 2021, have been accrued as liabilities and shown as expenditures for the year ending June 30, 2021.

TOWN OF ROUND MOUNTAIN, NEVADA
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

7. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (Continued)

j. Interfund Activity

During the course of operations, the Town may have activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, balances between the funds included in the governmental activities are eliminated. The Town has one enterprise fund; therefore, there is no interfund activity between business-type funds.

Certain activity occurs during the year involving transfers of resources between funds. In fund financial statements, these amounts are reported as operating transfers in or out. While reported in fund financial statements, transfers between the funds included in governmental activities are eliminated in the governmental activities column.

k. Long-term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type Statement of Net Position. Bond premiums and discounts as well as deferred losses and gains, are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as expenditures during the current period. Deferred charges related to the refunding of debt are reported as a deferred outflow of resources. They are amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as an "other financing source." Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs are reported as expenditures.

l. Governmental Fund Balances

In the governmental fund financial statements, fund balances are classified as follows:

1. **Nonspendable** – Amounts that cannot be spent either because they are in a nonspendable form or because they are legally or contractually required to be maintained intact, such as inventories and prepaids.
2. **Restricted** – Amounts that can be spent only for a specific purpose because of state or federal laws, or externally imposed conditions by grantors or creditors.
3. **Committed** – These amounts can only be used for specific purposes as set forth by the Town Board. The Board must take formal action (vote approval by majority) in order to establish an ending fund balance commitment for any specific purpose. To be reported as committed, amounts cannot be used for any other purpose unless the Board takes the same highest-level action to remove or change the constraint.
4. **Assigned** – Assignments are neither restrictions nor commitments and represent the Town's intent to use funds for a specific purpose. These assignments, however, are not legally binding and are meant to reflect intended future use of the Town's ending fund balance. Intent can be expressed by the Town Board or Town Manager.
5. **Unassigned** – All amounts not included in other spendable classifications for the General Fund.

TOWN OF ROUND MOUNTAIN, NEVADA
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

7. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (Continued)

m. Fund Balance Flow Assumptions

When fund balance resources are available for a specific purpose in more than one classification, it is the Town's policy to use the most restrictive funds first in the following order: restricted, committed, assigned, and unassigned as they are needed.

n. Net Position Policies

In the government-wide statements, net position on the Statement of Net Position includes the following:

1. Invested in Capital Assets, Net of Related Debt

This is the component of net position that reports the difference between capital assets less both the accumulated depreciation and the outstanding balance of debt, excluding unexpended proceeds, that is directly attributable to the acquisition, construction, or improvement of those assets.

2. Restricted Assets

This is the component of net position that reports the constraints placed on the use of assets by either external parties and/or enabling legislation. Currently, the Town restricts assets as follow:

- a) NRS 354.59815 Special Ad Valorem Capital Projects
- b) NRS 354.6113 Capital Projects Fund
- c) NRS 365.190 Road Improvements
- d) NRS 545 Nye County Public Safety Sales Tax

3. Unrestricted

This is the component of net position that is the difference between the assets and liabilities not reported as Invested in Capital Assets, Net of Related Debt, and Restricted Assets.

o. Net Position Flow Assumption

When an expense is incurred that can be paid using either restricted or unrestricted resources (net position), the Town's policy is to first apply the expense toward restricted resources and then toward unrestricted resources.

p. Comparative Data/Reclassifications

Comparative total data for the prior year has been presented in selected sections of the accompanying financial statements to provide an understanding of the changes in the Town's financial position and operations. Also, certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

q. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**TOWN OF ROUND MOUNTAIN, NEVADA
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021**

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

8. Revenues and Expenditures/Expenses

a. Program Revenues

Amounts reported as program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

b. Proprietary Funds Operating and Nonoperating Revenues and Expenses

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the utility fund are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

NOTE B - RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

Explanation of certain differences between the governmental funds Statement of Revenues, Expenditures, and Changes in Fund Balances and the government-wide Statement of Activities

The governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances includes reconciliation between net changes in fund balances - total governmental funds and changes in net position of governmental activities as reported in the government-wide Statement of Activities. One element of that reconciliation explains that "Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the Statement of Net Position and allocated over their estimated useful lives as annual depreciation expense in the Statement of Activities." The detail of this difference is as follows:

Capital outlay	\$ 206,701
Depreciation expense	<u>(174,939)</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u>\$ 31,762</u>

NOTE C - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Compliance and Accountability

The Town conformed to significant statutory requirements regarding financial administration during the year. Nevada Revised Statutes 354.626 requires that the Town report expenditures that exceed budgeted appropriations at the function level for the General Fund, special revenue funds, and capital projects funds. For the year ended June 30, 2021, no expenditures were over appropriations.

TOWN OF ROUND MOUNTAIN, NEVADA
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021

NOTE D – DETAILED NOTES ON ALL FUNDS

1. Pooled Cash and Investments

Through the Nye County Treasurer, the Town maintains a cash and investment pool that is available for use by all funds. The majority of all cash and investments of the Town are included in the cash and investment pool of the Nye County Treasurer. At June 30, 2021, this pool is displayed by the Statement of Net Position and on the governmental funds balance sheet as “Pooled Cash and Investments.”

A reconciliation of cash and investments as shown on the Statement of Net Position for the Town follows:

	Governmental Activities	Business-Type Activities	Totals
Cash in the hands of officers	\$ 8,258	\$ 49,276	\$ 57,534
Pooled cash and investments – Nye County Treasurer	6,731,182	476,459	7,207,641
Total	\$ 6,739,440	\$ 525,735	\$ 7,265,175

Pursuant to policy established by the Nye County Treasurer in accordance with Nevada Revised Statutes Chapter 355.168, the Town has elected to be part of the Nye County Treasurer’s Investment Pool. Any local government within Nye County whose money is held under the custody of the Nye County Treasurer may invest its money with the investment pool. The County Treasurer may invest the money of the investment pool in investments which have been authorized as investments by Nevada Revised Statutes (See Note A7a). As noted, Nevada Revised Statutes (NRS 355.170) set forth acceptable investments for Nevada local governments. Detailed information concerning the investment pool is in the annual financial report of Nye County, Nevada.

Investment gain or loss is apportioned to the Town funds monthly based on the average balance invested for the month. The fair value of the Town’s investment in the Nye County Treasurer’s Investment Pool was determined by multiplying the pool’s fair value per share factor times the Town’s portion of pool balance as of June 30, 2021.

Interest Rate Risk: Interest rate risk is the risk of possible reduction in the value of a security, especially a bond, resulting from the rise in interest rates. To limit exposure to interest rate risk, the Nevada Revised Statutes limits bankers’ acceptances to 180 days of maturities, repurchase agreements to 90 days, U.S. Treasuries and Agencies to less than 10 years, and commercial paper to 270 days maturity. The approximate weighted average maturity of investments in the Nye County Treasurer’s investment pool was 4.51 years. As of June 30, 2021, Town investments held in the Nye County Treasurer’s investment pool are categorized as follows:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities (in years)</u>			
		<u>Less than 1</u>	<u>1 to 5</u>	<u>6 to 10</u>	<u>> 10</u>
Negotiable Certificates of Deposit	22.10%	33.50%	54.63%	11.87%	0.00%
NV Local Government Investment Pool	0.68%	100.00%	0.00%	0.00%	0.00%
U.S. Agencies	71.60%	8.27%	35.79%	55.94%	0.00%
Money Market Mutual Funds	5.62%	100.00%	0.00%	0.00%	0.00%
	100.00%				

TOWN OF ROUND MOUNTAIN, NEVADA
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021

NOTE D - DETAILED NOTES ON ALL FUNDS (Continued)

1. Pooled Cash and Investments (Continued)

Credit Risk: Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation and is a function of the credit quality ratings of its investments. The Nye County Treasurer investment pool includes instruments which have been authorized by Nevada Revised Statutes. (See Note A7a) At June 30, 2021, the Nye County Treasurer's investment pool ratings were as follows:

Investment Type	Quality Ratings by Moody's							
	Aaa	Aa1	Aa2	Aa3	A1	A2	A3	N/A
Negotiable Certificates of Deposit	0%	0%	0%	0%	0%	0%	0%	100%
NV Local Government Investment Pool	0%	0%	0%	0%	0%	0%	0%	100%
U.S. Agencies	100%	0%	0%	0%	0%	0%	0%	0%
Money Market Mutual Funds	0%	0%	0%	0%	0%	0%	0%	100%

Custodial Credit Risk: Custodial credit risk is the risk that in the event of a bank or brokerage failure, the Town's deposits may not be returned. The Town's bank deposits are covered by FDIC insurance. Deposits in excess of FDIC insurance coverage in the Nye County Treasurer cash and investment pool are collateralized by securities held by the Office of the State Treasurer/Nevada Collateral Pool.

Credit Concentration Risk: Concentration of credit risk is defined as the risk of loss attributed to the magnitude of a government's investment in a single issuer. Investments with a single issuer within the Nye County Treasurer Investment pool that represent five percent or more of total investments as of June 30, 2021, are as follows:

Federal Farm Credit Bank	27.14%
Federal Home Loan Bank (FHLB)	19.19%
Freddie Mac	20.29%

The Town reports investments at fair value in accordance generally accepted accounting principles. Investments are categorized within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

TOWN OF ROUND MOUNTAIN, NEVADA
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021

NOTE D - DETAILED NOTES ON ALL FUNDS (Continued)

1. Pooled Cash and Investments (Continued)

The Town has the following recurring fair value measurements as of June 30, 2021:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>N/A</u>
Negotiable Certificates of Deposit	22.10%	0.00%	100.00%	0.00%	0.00%
NV Local Government Investment Pool	0.68%	32.68%	67.32%	0.00%	0.00%
U.S. Agencies	71.60%	0.00%	100.00%	0.00%	0.00%
Money Market Mutual Funds	5.62%	100.00%	0.00%	0.00%	0.00%
	<u>100.00%</u>				

2. Receivables

Below is the detail of receivables for each major fund and the nonmajor funds in the aggregate, including the applicable allowances for uncollectible accounts:

	Other			Total
	General	Governmental	Enterprise	
Receivables:				
Interest receivable	\$ 11,573	\$ 2,444	\$ 1,070	\$ 15,087
Property taxes	46,041	0	0	46,041
Due from other governments:				
Consolidated taxes	87,351	0	0	87,351
Other revenues	3,803	0	0	3,803
Fuel taxes	0	15,982	0	15,982
Public safety sales taxes	0	13,366	0	13,366
Net accounts receivable utility	<u>0</u>	<u>0</u>	<u>28,085</u>	<u>28,085</u>
Net total receivables	<u>\$ 148,768</u>	<u>\$ 31,792</u>	<u>\$ 29,155</u>	<u>\$ 209,715</u>

TOWN OF ROUND MOUNTAIN, NEVADA
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021

NOTE D – DETAILED NOTES ON ALL FUNDS (Continued)

3. Capital Assets

Capital assets activity for the year ended June 30, 2021, was as follows:

<u>Governmental Activities:</u>	Balance June 30, 2020	Additions	Deletions	Balance June 30, 2021
Capital assets not being depreciated:				
Land	\$ 481,416	\$ 0	\$ 0	\$ 481,416
Construction in progress	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total capital assets not being depreciated:	<u>481,416</u>	<u>0</u>	<u>0</u>	<u>481,416</u>
Capital assets being depreciated:				
Building	3,627,310	0	0	3,627,310
Equipment	<u>2,173,716</u>	<u>206,701</u>	<u>0</u>	<u>2,380,417</u>
Total capital assets being depreciated	<u>5,801,026</u>	<u>206,701</u>	<u>0</u>	<u>6,007,727</u>
Less accumulated depreciation for:				
Building	1,347,097	109,377	0	1,456,474
Equipment	<u>1,814,255</u>	<u>65,562</u>	<u>0</u>	<u>1,879,817</u>
Total accumulated depreciation	<u>3,161,352</u>	<u>174,939</u>	<u>0</u>	<u>3,336,291</u>
Total capital assets depreciated, net	<u>2,639,674</u>	<u>31,762</u>	<u>0</u>	<u>2,671,436</u>
Governmental activities assets, net	<u>\$ 3,121,090</u>	<u>\$ 31,762</u>	<u>\$ 0</u>	<u>\$ 3,152,852</u>

<u>Business-Type Activities:</u>	Balance June 30, 2020	Additions	Deletions	Balance June 30, 2021
Capital assets being depreciated:				
Distribution system	\$ 3,312,453	\$ 57,683	\$ 0	\$ 3,370,136
Less accumulated depreciation for:				
Distribution system	<u>1,206,732</u>	<u>105,060</u>	<u>0</u>	<u>1,311,792</u>
Business-type activities assets, net	<u>\$ 2,105,721</u>	<u>\$ (47,377)</u>	<u>\$ 0</u>	<u>\$ 2,058,344</u>

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:	
General government	\$ 30,248
Public safety	45,070
Public works	682
Culture and recreation	<u>98,939</u>
	<u>\$ 174,939</u>
Business activities:	
Water and sewer	<u>\$ 105,060</u>

Construction commitments: The Town has no active construction projects as of June 30, 2021.

4. Unavailable Revenue

Delinquent taxes receivable not collected within sixty days after year-end are recorded as deferred inflows of resources as they are not available to pay liabilities of the current period. Unavailable tax revenue in the General Fund was \$45,959 as of June 30, 2021.

TOWN OF ROUND MOUNTAIN, NEVADA
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021

NOTE D – DETAILED NOTES ON ALL FUNDS (Continued)

5. Long-Term Debt

Changes in General Long-Term Liabilities

During the year ended June 30, 2021, the following changes occurred:

	Balance June 30, 2020	Additions	Deletions	Balance June 30, 2021	Due within one year
Governmental Activities:					
Compensated Absences	\$ 17,858	\$ 0	\$ 1,646	\$ 16,212	\$ 9,653
Net Pension Liability	905,554	33,482	0	939,036	0
Total Governmental Activities	<u>\$ 923,412</u>	<u>\$ 33,482</u>	<u>\$ 1,646</u>	<u>\$ 955,248</u>	<u>\$ 9,653</u>
Business-Type Activities:					
Compensated Absences	\$ 355	\$ 48	\$ 0	\$ 403	\$ 403
Net Pension Liability	114,748	3,100	0	117,848	0
Total Business-Type Activities	<u>\$ 115,103</u>	<u>\$ 3,148</u>	<u>\$ 0</u>	<u>\$ 118,251</u>	<u>\$ 403</u>

Governmental type liabilities will be liquidated primarily by the General Fund.

6. Interfund Transfers

Interfund transfers are made from one fund to another fund to support expenditures in accordance with authority established for the individual funds. In the fund financial statements, interfund transfers are shown as other financing sources or uses. During the year ended June 30, 2021, there were no transfers.

7. Risk Management

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town has joined together with other local governments throughout the State of Nevada to create a pool under the Nevada Interlocal Cooperation Act. The Nevada Public Agency Insurance Pool (NPAIP) is a public entity risk pool currently operating as a common risk management and insurance program for members. The Town pays an annual premium to NPAIP for its property, casualty, crimes, and machinery insurance coverage. NPAIP is considered a self-sustaining risk pool that will provide liability coverage for its members up to \$10,000,000 per event and a \$10,000,000 annual aggregate per member. Property, crime, and equipment breakdown coverage is provided to its members up to \$300,000,000 per loss with various sub-limits established for earthquake, flood, equipment breakdown, and money and securities. As a participatory member the maintenance deductible is \$500 for each insured event. Site pollution coverage is provided up to \$2,000,000 for each incident with an aggregate of \$10,000,000 and a maintenance deductible of \$25,000. Cyber security events are covered up to \$3,000,000 per event with an annual aggregate of \$3,000,000.

The Town participates in the Public Agency Compensation Trust (PACT). The PACT covers workers' compensation claims. Premiums are paid on a quarterly basis based on a percentage of the employees' wages.

The Town is self-insured for unemployment claims.

The Town purchases health care benefits for its employees through a commercial carrier.

TOWN OF ROUND MOUNTAIN, NEVADA
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021

NOTE D – DETAILED NOTES ON ALL FUNDS (Continued)

8. Contingent Liabilities

Claims

In the ordinary course of its operations, claims may be filed against the Town. It is the opinion of management that claims will not have any material adverse effect on the Town's financial position, results of operation, or cash flows.

The Town does not accrue for estimated future legal and defense costs, if any, to be incurred in connection with outstanding or threatened litigation and other disputed matters but rather, records such as period costs when services are rendered.

9. Defined Benefit Pension Plan

Plan Description. Half time and greater Town employees are provided pension benefits through the Public Employees' Retirement System of the State of Nevada (PERS), a cost sharing multiple-employer, defined benefit plan administered by the Public Employees' Retirement System of the State of Nevada. PERS provides retirement benefits, disability benefits, and death benefits, including annual cost of living adjustments, to plan members and their beneficiaries. NRS Chapter 286 establishes the benefit provisions provided to the participants of PERS. These benefit provisions may only be amended through legislation. The Public Employees' Retirement System of the State of Nevada issues a publicly available financial report that includes financial statements and required supplementary information for PERS that can be obtained at www.nvpers.org under Quick Links — Publications.

Benefits Provided. Benefits, as required by the Nevada Revised Statutes (NRS or statute), are determined by the number of years of accredited service at time of retirement and the member's highest average compensation in any 36 consecutive months. Vested members are entitled to a life-time monthly retirement benefit equal to the service time multiplier (STM) percentages listed below times the member's years of service to a maximum of 30 years.

**TOWN OF ROUND MOUNTAIN, NEVADA
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021**

NOTE D – DETAILED NOTES ON ALL FUNDS (Continued)

9. Defined Benefit Pension Plan (Continued)

The schedule of Eligibility for Monthly Unreduced Retirement Benefits for regular members and police/fire members are as follows:

Eligibility for Regular Members:

Years of Service	Hired prior to 07/01/01		Hired between 07/01/01-12/31/09		Hired Between 01/01/10-07/01/15		Hired After 7/1/15	
	Age	STM%	Age	STM%	Age	STM%	Age	STM%
5 years	65	2.50%	65	2.67%	65	2.50%	65	2.25%
10 years	60	2.50%	60	2.67%	62	2.50%	62	2.25%
30 years	Any	2.50%	Any	2.67%	Any	2.50%	55	2.25%
33 1/3 years							Any	2.25%

Eligibility for Police and Fire Members:

Years of Service	Hired prior to 07/01/01		Hired between 07/01/01-12/31/09		Hired Between 01/01/10-07/01/15		Hired After 7/1/15	
	Age	STM%	Age	STM%	Age	STM%	Age	STM%
5 years	65	2.50%	65	2.67%	65	2.50%	65	2.25%
10 years	55	2.50%	55	2.67%	60	2.50%	60	2.25%
20 years	50	2.50%	50	2.67%	50	2.50%	50	2.25%
25 years	Any	2.50%	Any	2.67%				
30 years					Any	2.50%	Any	2.25

* Only service performed in a position as a police officer or firefighter may be counted towards eligibility for retirement as Police/Fire accredited service.

Benefit payments to which participants or their beneficiaries may be entitled under the plan include pension benefits, disability benefits, and survivor benefits. The System offers several alternatives to the unmodified service retirement allowance which, in general, allow the retired employee to accept a reduced service retirement allowance payable monthly during his or her lifetime and various optional monthly payments to a named beneficiary after his or her death. Post-retirement increases are provided by authority of NRS 286.575 - .579.

The normal ceiling limitation on monthly benefits allowances is 75% of average compensation. However, a member who has an effective date of membership before July 1, 1985, is entitled to a benefit of up to 90% of average compensation. Both Regular and Police/Fire members become fully vested as to benefits upon completion of five years of service.

Contributions: Benefits for plan members are funded under the employer pay contribution plan. The Town is required to contribute all amounts due under the plan. PERS receives an actuarial valuation on an annual basis indicating the contribution rates required to fund the System on an actuarial reserve basis. Contributions actually made are in accordance with the required rates established by the Nevada Legislature. These statutory rates are increased/decreased pursuant to NRS 286.421 and 286.450. The Town's required contribution rate for the year ending June 30, 2021, was 29.25% for regular members and 42.50% for police and firemen. The Town has fully funded the amounts due for the year ending June 30, 2021. For purposes of GASB No. 82, the Town recognized only the employer portion as a deferred outflow.

The actuary funding method used is the Entry Age Normal Cost Method. It is intended to meet the funding objective and result in a relatively level long-term contribution requirement as a percentage of salary.

**TOWN OF ROUND MOUNTAIN, NEVADA
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021**

NOTE D – DETAILED NOTES ON ALL FUNDS (Continued)

9. Defined Benefit Pension Plan (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2021, the Town reported a liability of \$1,056,884 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Town's allocation percentage of the net pension liability was based on the total contributions due on wages paid during the measurement period. Each employer's proportion of the net pension liability is based on their combined employer and member contributions relative to the total combined employer and member contributions for all employers for the period ended June 30, 2020. The Town's proportionate share of the net pension liability increased from 0.00748% at June 30, 2019, to 0.00759% at June 30, 2020.

For the year ended June 30, 2021, the Town recognized pension expense of \$41,845. At June 30, 2021, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual results	\$ 18,279	\$ 7,597
Net difference between projected and actual earnings on pension plan investments	0	22,225
Changes in proportion	38,326	26,904
Changes of assumptions	16,526	0
Town Contributions subsequent to measurement date	44,318	0
Total	\$ 117,449	\$ 56,726

The Town reported \$44,318 as deferred outflows of resources related to pensions resulting from Town contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2022	\$ (24,601)
2023	5,199
2024	17,147
2025	14,184
2026	4,124
2027	352
	\$ 16,405

TOWN OF ROUND MOUNTAIN, NEVADA
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021

NOTE D – DETAILED NOTES ON ALL FUNDS (Continued)

9. Defined Benefit Pension Plan (Continued)

Actuarial Assumptions: The System's net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The total pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation rate	2.75%
Payroll Growth	Regular: 5.50% Police/Fire: 6.50%
Investment Rate of Return	7.50%, including inflation
Productivity pay increase	0.50%
Projected Salary increases	Regular: 4.25% to 9.15%, depending on service Police/Fire: 4.55% to 13.90%, depending on service Rates include inflation and productivity increases
Other assumptions	Same as those used in the June 30, 2020 funding actuarial valuation

Mortality rates were based on the following:

Healthy:	Headcount-Weighted RP-2014 Annuitant Table projected to 2020 with Scale MP-2016, set forward one year for spouses and beneficiaries. For ages less than 50, mortality rates are based on the headcount-Weighted RP-2014 Employee Mortality Tables. Those mortality rates are adjusted by the ratio of the mortality rate for members at age 50 to the mortality rate at age 50 from the Employee mortality tables listed above. The mortality rates are then projected to 2020 with Scale MP-2016.
Disabled:	Headcount-Weighted RP-2014 Disabled Retiree Table, set forward four years. The RP-2014 Healthy Annuitant Mortality Tables have rates only for ages 50 and later.
Pre-Retirement	Headcount-Weighted RP-2014 Employee Table, projected to 2020 with Scale MP-2016

The RP-2014 Headcount-Weighted Mortality Tables, set forward one year for spouses and beneficiaries, reasonably reflect the projected mortality experience of the Plan as of the measurement date. The additional projection of 6 years is a provision made for future mortality improvement.

Actuarial assumptions used in the June 30, 2020 valuation were based on the results of the experience study for the period of July 1, 2012 through June 30, 2016.

The System's policies which determine the investment portfolio target asset allocation are established by the Public Employees' Retirement Board. The asset allocation is reviewed annually and is designed to meet the future risk and return needs of the System.

**TOWN OF ROUND MOUNTAIN, NEVADA
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021**

NOTE D – DETAILED NOTES ON ALL FUNDS (Continued)

9. Defined Benefit Pension Plan (Continued)

The following was the Board-adopted policy target asset allocation as of June 30, 2020:

Asset Class	Target Allocation	Long-Term Geometric Expected Real Rate of Return*
U.S. Stock	42%	5.50%
International Stock	18%	5.50%
U.S. Bonds	28%	0.75%
Private Markets	12%	6.65%

*As of June 30, 2020, PERS' long-term inflation assumption was 2.75%

Discount Rate: The discount rate used to measure the total pension liability was 7.50% as of June 30, 2020. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made in amounts consistent with statutory provisions and recognizing the plan's current funding policy and cost-sharing mechanism between employer and members. For this purpose, all contributions that are intended to fund benefits for all plan members and their beneficiaries are included, except that projected contributions that are intended to fund the service costs for future plan members and their beneficiaries are not included.

Based on that assumption, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability as of June 30, 2020.

Sensitivity of the Town's proportionate share of the net pension liability to change in the discount rate. The following presents the Town's proportionate share of the net pension liability calculated using the discount rate of 7.50 percent, as well as what the Town's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percent higher or lower than the current rate.

	1.0% Decrease (6.5%)	Discount Rate (7.5%)	1.0% Increase (8.5%)
Town's proportionate share of the net pension liability	\$ 1,648,332	\$ 1,056,884	\$ 565,140

Pension Plan Fiduciary Net Position: Detailed information about the pension plan's fiduciary net position is available in the PERS Comprehensive Annual Financial Report, available on the PERS website.

Pension contributions payable. At June 30, 2021, the Town reported payables to the defined benefit pension plan of \$5,260 for legally required employer contributions which had not yet been remitted to PERS.

10. Post-Employment Health Care Plan

The Town administers a single-employer defined benefit healthcare plan. The plan provides medical, dental, prescription, and life insurance benefits to eligible retired Town employees. The plan provides healthcare insurance for eligible retirees through the Town's group health insurance plan, which covers both active and retired members. Retirees may choose to stay on the Town's health insurance plan upon retirement. The retiree is required to pay the full amount of their coverage. The Town does not contribute to the cost of coverage. As of June 30, 2021, there were no retirees using the plan.

With no participating retired employees, at June 30, 2021, the Town's annual other postemployment benefit costs (expense) and net obligation is deemed to be zero.

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For the year ended June 30, 2021

REQUIRED SUPPLEMENTARY INFORMATION

**TOWN OF ROUND MOUNTAIN, NEVADA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE TOWN'S CONTRIBUTIONS TO THE
PUBLIC EMPLOYEES' RETIREMENT SYSTEM OF THE STATE OF NEVADA
LAST 10 YEARS *
JUNE 30, 2021**

Year Ended June 30	Contractually Determined Contributions	Contributions in Relation to the Actuarially Determined Contributions	Contribution Deficiency (Excess)	Covered Employee Payroll	Contributions as a Percentage of Covered Employee Payroll
2013	\$ 127,055	\$ 127,055	\$ -	\$ 457,098	27.80%
2014	127,797	127,797	-	441,946	28.92%
2015	117,615	117,615	-	381,663	30.82%
2016	96,474	96,474	-	323,296	29.84%
2017	94,368	94,368	-	347,610	27.15%
2018	47,637	47,637	-	353,724	13.47%
2019	47,685	47,685	-	352,799	13.52%
2020	44,256	44,256	-	301,488	14.68%
2021	44,318	44,318	-	301,760	14.69%

**Information previous to 2013 is not available.*

Beginning with the year-ended 2018, all contributions shown reflect employer-paid contributions only, and employer-paid member contributions are excluded. Actuarially determined contributions above are based on actuarially determined contribution rates (employer portion only) from the most recent rate-setting year prior to the year shown, applied to covered payroll for year shown.

TOWN OF ROUND MOUNTAIN, NEVADA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
OF THE PUBLIC EMPLOYEES' RETIREMENT SYSTEM OF THE STATE OF NEVADA
LAST 10 YEARS*
JUNE 30, 2021

<u>Reporting Year Ended June 30:</u>	<u>Town's proportion of the net pension liability</u>	<u>Town's proportionate share of the net pension liability</u>	<u>Town's covered- employee payroll</u>	<u>Town's proportionate share of the net pension liability as a percentage of its covered- employee payroll</u>	<u>Plan fiduciary net position as a percentage of the total pension liability</u>
2015	0.00845%	880,703	441,946	199.28%	76.31%
2016	0.00835%	956,344	381,663	250.57%	75.10%
2017	0.00743%	1,000,035	323,296	309.32%	72.20%
2018	0.00714%	949,508	347,610	273.15%	74.40%
2019	0.00727%	991,483	353,724	280.30%	75.20%
2020	0.00748%	1,020,302	352,799	289.20%	76.50%
2021	0.00759%	1,056,884	301,488	350.56%	77.00%

**Fiscal year 2015 was the first year of implementation. Therefore, only seven years are shown.*

The Town's proportionate share of the net pension liability is based upon the measurement taken on June 30th of the prior year.

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For the year ended June 30, 2021

TOWN OF ROUND MOUNTAIN, NEVADA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2021

Note 1 – Net Pension Liability

Changes in benefit terms. There have been no changes in benefit terms since the last valuation.

Changes in assumptions. Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period.

SUPPLEMENTARY INFORMATION

MAJOR FUNDS

GENERAL FUND

The General Fund is used to account for resources traditionally associated with governments which are not required legally or by sound financial management to be accounted for in another fund.

**TOWN OF ROUND MOUNTAIN, NEVADA
MAJOR FUND - GENERAL FUND
COMPARATIVE BALANCE SHEETS
JUNE 30, 2021 AND 2020**

	2021	2020
Assets		
Pooled cash and investments	\$ 5,552,724	\$ 4,501,960
Interest receivable	11,573	9,007
Taxes receivable	46,041	16,533
Due from other governments	91,154	85,331
Prepaid items	<u>-</u>	<u>47,331</u>
 Total assets	 <u>\$ 5,701,492</u>	 <u>\$ 4,660,162</u>
Liabilities		
Accounts payable	\$ 69,850	\$ 5,517
Accrued payroll	<u>36,213</u>	<u>37,237</u>
 Total liabilities	 <u>106,063</u>	 <u>42,754</u>
Deferred Inflows of Resources		
Unavailable revenue-property taxes	<u>45,959</u>	<u>16,404</u>
Fund Balance		
Nonspendable	-	47,331
Assigned for subsequent year	4,478,783	3,428,727
Unassigned	<u>1,070,687</u>	<u>1,124,946</u>
 Total fund balance	 <u>5,549,470</u>	 <u>4,601,004</u>
 Total liabilities, deferred inflows of resources and fund balance	 <u>\$ 5,701,492</u>	 <u>\$ 4,660,162</u>

TOWN OF ROUND MOUNTAIN, NEVADA
MAJOR FUND - GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021

(With Comparative Actual Amounts for the Year Ended June 30, 2020)

	2021		Variance -	2020
	Budget	Actual	Positive (Negative)	Actual
Revenues				
Taxes	\$ 797,010	\$ 1,472,199	\$ 675,189	\$ 1,250,804
Licenses and permits	2,500	6,342	3,842	2,365
Intergovernmental	250,000	422,643	172,643	389,282
Charges for services	20,000	18,227	(1,773)	25,821
Fines and forfeitures	1,000	1,530	530	255
Miscellaneous	3,500	(9,406)	(12,906)	130,636
Total revenues	<u>1,074,010</u>	<u>1,911,535</u>	<u>837,525</u>	<u>1,799,163</u>
Expenditures				
General government	1,407,728	543,339	864,389	502,866
Public safety	170,610	110,688	59,922	63,025
Public works	66,000	21,325	44,675	18,257
Culture and recreation	596,726	287,717	309,009	260,867
Total expenditures	<u>2,241,064</u>	<u>963,069</u>	<u>1,277,995</u>	<u>845,015</u>
Excess (deficiency) of revenues over expenditures	(1,167,054)	948,466	2,115,520	954,148
Fund balance				
Beginning of year	<u>3,428,727</u>	<u>4,601,004</u>	<u>1,172,277</u>	<u>3,646,856</u>
End of year	<u>\$ 2,261,673</u>	<u>\$ 5,549,470</u>	<u>\$ 3,287,797</u>	<u>\$ 4,601,004</u>

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For the year ended June 30, 2021

TOWN OF ROUND MOUNTAIN, NEVADA
MAJOR FUND - GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021

(With Comparative Actual Amounts for the Year Ended June 30, 2020)

	2021		Variance - Positive (Negative)	2020 Actual
	Budget	Actual		
Revenues				
Taxes:				
Property taxes	\$ 797,010	\$ 866,084	\$ 69,074	\$ 786,791
Net proceeds	-	606,115	606,115	464,013
Total taxes	<u>797,010</u>	<u>1,472,199</u>	<u>675,189</u>	<u>1,250,804</u>
Licenses and permits:				
Gaming licenses	2,000	5,062	3,062	1,485
Liquor licenses	500	1,280	780	880
Total licenses and permits	<u>2,500</u>	<u>6,342</u>	<u>3,842</u>	<u>2,365</u>
Intergovernmental:				
Consolidated tax	250,000	422,643	172,643	388,782
Grant	-	-	-	500
Total intergovernmental	<u>250,000</u>	<u>422,643</u>	<u>172,643</u>	<u>389,282</u>
Charges for services:				
Swimming pool	1,000	1,789	789	994
Arcade/vending	-	600	600	400
Weight room fees	15,000	10,850	(4,150)	18,159
Water charges	4,000	4,988	988	6,163
Other	-	-	-	105
Total charges for services	<u>20,000</u>	<u>18,227</u>	<u>(1,773)</u>	<u>25,821</u>
Fines and forfeitures	<u>1,000</u>	<u>1,530</u>	<u>530</u>	<u>255</u>
Miscellaneous:				
Rent	3,500	2,904	(596)	3,975
Investment income (loss)	-	(13,957)	(13,957)	126,175
Other	-	1,647	1,647	486
Total miscellaneous	<u>3,500</u>	<u>(9,406)</u>	<u>(12,906)</u>	<u>130,636</u>
Total revenues	<u>\$ 1,074,010</u>	<u>\$ 1,911,535</u>	<u>\$ 837,525</u>	<u>\$ 1,799,163</u>

TOWN OF ROUND MOUNTAIN, NEVADA
MAJOR FUND - GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021

(With Comparative Actual Amounts for the Year Ended June 30, 2020)

	2021		Variance - Positive (Negative)	2020 Actual
	Budget	Actual		
Expenditures				
General government:				
Administration:				
Salaries and wages	\$ 305,606	\$ 141,615	\$ 163,991	\$ 137,429
Employee benefits	89,787	65,962	23,825	64,908
Services and supplies	148,100	91,720	56,380	88,791
Capital outlay	58,000	44,915	13,085	13,067
Total administration	<u>601,493</u>	<u>344,212</u>	<u>257,281</u>	<u>304,195</u>
Building and Grounds:				
Salaries and wages	114,869	88,263	26,606	88,648
Employee benefits	73,766	41,393	32,373	41,013
Services and supplies	117,600	69,471	48,129	46,564
Capital outlay	500,000	-	500,000	22,446
Total building and grounds	<u>806,235</u>	<u>199,127</u>	<u>607,108</u>	<u>198,671</u>
Total general government	<u>1,407,728</u>	<u>543,339</u>	<u>864,389</u>	<u>502,866</u>
Public Safety:				
Hadley Station:				
Employee benefits	-	280	(280)	-
Services and supplies	129,100	74,348	54,752	63,025
Capital outlay	41,510	36,060	5,450	-
Total public safety	<u>170,610</u>	<u>110,688</u>	<u>59,922</u>	<u>63,025</u>
Public Works:				
Highways and Streets:				
Services and supplies	15,000	13,491	1,509	13,905
Capital outlay	30,000	-	30,000	-
Total highways and streets	<u>45,000</u>	<u>13,491</u>	<u>31,509</u>	<u>13,905</u>
Round Mountain Water:				
Services and supplies	21,000	7,834	13,166	4,352
Total public works	<u>\$ 66,000</u>	<u>\$ 21,325</u>	<u>\$ 44,675</u>	<u>\$ 18,257</u>

TOWN OF ROUND MOUNTAIN, NEVADA
MAJOR FUND - GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021

(With Comparative Actual Amounts for the Year Ended June 30, 2020)

	2021		Variance - Positive (Negative)	2020 Actual
	Budget	Actual		
Expenditures (Continued)				
Culture and Recreation:				
Swimming Pool:				
Salaries and wages	\$ 39,360	\$ 4,236	\$ 35,124	\$ 4,770
Employee benefits	5,208	556	4,652	368
Services and supplies	43,300	16,542	26,758	16,801
Capital outlay	<u>104,000</u>	<u>-</u>	<u>104,000</u>	<u>-</u>
 Total swimming pool	 <u>191,868</u>	 <u>21,334</u>	 <u>170,534</u>	 <u>21,939</u>
 Parks and recreation:				
Salaries and wages	74,606	50,322	24,284	64,709
Employee benefits	49,052	30,278	18,774	36,668
Services and supplies	104,200	67,076	37,124	57,551
Capital outlay	<u>177,000</u>	<u>118,707</u>	<u>58,293</u>	<u>80,000</u>
 Total parks and recreation	 <u>404,858</u>	 <u>266,383</u>	 <u>138,475</u>	 <u>238,928</u>
 Total culture and recreation	 <u>596,726</u>	 <u>287,717</u>	 <u>309,009</u>	 <u>260,867</u>
 Total expenditures	 <u>2,241,064</u>	 <u>963,069</u>	 <u>1,277,995</u>	 <u>845,015</u>
 Excess (deficiency) of revenues over expenditures	 (1,167,054)	 948,466	 2,115,520	 954,148
 Fund balance				
Beginning of year	<u>3,428,727</u>	<u>4,601,004</u>	<u>1,172,277</u>	<u>3,646,856</u>
End of year	<u>\$ 2,261,673</u>	<u>\$ 5,549,470</u>	<u>\$ 3,287,797</u>	<u>\$ 4,601,004</u>

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For the year ended June 30, 2021

MAJOR ENTERPRISE FUND

The Enterprise Fund is used to account for operations that are financed and operated in a manner similar to private business enterprises – where the intent of the Town’s management is that the costs of providing goods and services be financed or recovered primarily through user charges.

Round Mountain Public Utilities Fund is used to account for revenues and expenses of the utility services provided for the residents of the unincorporated Town of Round Mountain, Nevada.

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For the year ended June 30, 2021

TOWN OF ROUND MOUNTAIN, NEVADA
MAJOR FUND - ROUND MOUNTAIN PUBLIC UTILITIES ENTERPRISE FUND
COMPARATIVE STATEMENT OF NET POSITION
JUNE 30, 2021 AND 2020

	2021	2020
Assets		
Current assets:		
Pooled cash and investments	\$ 525,735	\$ 409,183
Interest receivable	1,070	855
Accounts receivable (net)	28,085	38,281
Prepaid items	1,914	10,393
Inventory	55,345	53,685
Total current assets	<u>612,149</u>	<u>512,397</u>
Capital assets:		
Equipment	3,370,136	3,312,453
Less accumulated depreciation	<u>(1,311,792)</u>	<u>(1,206,732)</u>
Capital assets (net of accumulated depreciation)	<u>2,058,344</u>	<u>2,105,721</u>
Total assets	<u>2,670,493</u>	<u>2,618,118</u>
Deferred outflows of resources:		
Deferred pension charge	<u>6,233</u>	<u>11,552</u>
Liabilities		
Current liabilities:		
Accounts payable	3,273	1,751
Accrued payroll	5,339	760
Customer deposits	11,750	15,595
Accrued compensated absences	<u>403</u>	<u>355</u>
Total current liabilities	20,765	18,461
Long term liabilities:		
Net pension liability	<u>117,848</u>	<u>114,748</u>
Total liabilities	<u>138,613</u>	<u>133,209</u>
Deferred Inflows of Resources		
Deferred pension charge	<u>1,231</u>	<u>13,390</u>
Net Position		
Invested in capital assets	2,058,344	2,105,721
Unrestricted	<u>478,538</u>	<u>377,350</u>
Total net position	<u>\$ 2,536,882</u>	<u>\$ 2,483,071</u>

TOWN OF ROUND MOUNTAIN, NEVADA
MAJOR FUND - ROUND MOUNTAIN PUBLIC UTILITIES ENTERPRISE FUND
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021

(With Comparative Actual Amounts for the Year Ended June 30, 2020)

	2021		Variance - Positive (Negative)	2020 Actual
	Budget	Actual		
Operating revenues				
Charges for services	\$ 300,000	\$ 327,084	\$ 27,084	\$ 333,788
Operation expenses				
Utility operations:				
Salaries and wages	50,706	32,890	17,816	19,461
Employee benefits	36,300	15,699	20,601	8,180
Services and supplies	171,100	118,092	53,008	116,446
Depreciation	92,000	105,060	(13,060)	103,920
Total operating expenses	<u>350,106</u>	<u>271,741</u>	<u>78,365</u>	<u>248,007</u>
Operating income (loss)	<u>(50,106)</u>	<u>55,343</u>	<u>105,449</u>	<u>85,781</u>
Non-operating revenues (expenses)				
Investment income (loss)	-	(1,602)	(1,602)	12,089
Miscellaneous	-	70	70	280
Total non-operating revenues (expenses)	<u>-</u>	<u>(1,532)</u>	<u>(1,532)</u>	<u>12,369</u>
Change in net position	<u>\$ (50,106)</u>	53,811	<u>\$ 103,917</u>	98,150
Net position				
Beginning of year		<u>2,483,071</u>		<u>2,384,921</u>
End of year		<u>\$ 2,536,882</u>		<u>\$ 2,483,071</u>

TOWN OF ROUND MOUNTAIN, NEVADA
MAJOR FUND - ROUND MOUNTAIN PUBLIC UTILITIES ENTERPRISE FUND
COMPARATIVE STATEMENT OF CASH FLOWS
PROPRIETARY FUND TYPE - ENTERPRISE FUND
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

	2021	2020
Cash flows from operating activities:		
Cash received from customers	\$ 333,435	\$ 331,230
Cash paid for salaries, wages, and employee benefits	(47,702)	(35,918)
Cash paid for services and supplies	<u>(109,751)</u>	<u>(122,826)</u>
Cash provided by operating activities	175,982	172,486
Cash flows from non-capital financing activities:		
Miscellaneous	70	280
Cash flows from capital and related financing activities:		
Purchase of capital assets	(57,683)	(98,487)
Cash flows from investing activities:		
Investment income (loss)	<u>(1,817)</u>	<u>11,727</u>
Net increase (decrease) in cash	116,552	86,006
Cash:		
Beginning of year	<u>409,183</u>	<u>323,177</u>
End of year	<u>\$ 525,735</u>	<u>\$ 409,183</u>
Reconciliation of operating income (loss) to cash provided by operating activities:		
Operating income (loss)	<u>\$ 55,343</u>	<u>\$ 85,781</u>
Adjustments to reconcile operating income (loss) to cash provided by operating activities:		
Depreciation	105,060	103,920
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable	10,196	(5,608)
(Increase) decrease in deferred outflows	5,319	1,619
(Increase) decrease in prepaid items	8,479	(1,953)
(Increase) decrease in inventory	(1,660)	1,661
Increase (decrease) in accounts payable	1,522	(6,088)
Increase (decrease) in accrued payroll	4,579	(3,343)
Increase (decrease) in compensated absences	48	(714)
Increase (decrease) in customer deposits	(3,845)	3,050
Increase (decrease) in net pension liability	3,100	2,362
Increase (decrease) in deferred inflows	<u>(12,159)</u>	<u>(8,201)</u>
Total adjustments	<u>120,639</u>	<u>86,705</u>
Cash provided by operating activities	<u>\$ 175,982</u>	<u>\$ 172,486</u>

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For the year ended June 30, 2021

**NONMAJOR
GOVERNMENTAL FUNDS**

Combining statements of all nonmajor governmental activity.

**TOWN OF ROUND MOUNTAIN, NEVADA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEETS
JUNE 30, 2021
(With Comparative Totals for June 30, 2020)**

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	2021 Totals	2020 Totals
Assets				
Pooled cash and investments	\$ 870,416	\$ 316,300	\$ 1,186,716	\$ 1,099,641
Interest receivable	1,816	628	2,444	2,138
Due from other governments	<u>29,348</u>	<u>-</u>	<u>29,348</u>	<u>23,970</u>
Total assets	<u>\$ 901,580</u>	<u>\$ 316,928</u>	<u>\$ 1,218,508</u>	<u>\$ 1,125,749</u>
Liabilities				
Accounts payable	<u>\$ 1,280</u>	<u>\$ -</u>	<u>\$ 1,280</u>	<u>\$ 60</u>
Fund Balance				
Restricted for capital projects	-	316,928	316,928	301,692
Restricted for public safety	273,373	-	273,373	266,509
Restricted for public works	<u>626,927</u>	<u>-</u>	<u>626,927</u>	<u>557,488</u>
Total fund balance	<u>900,300</u>	<u>316,928</u>	<u>1,217,228</u>	<u>1,125,689</u>
Total liabilities and fund balance	<u>\$ 901,580</u>	<u>\$ 316,928</u>	<u>\$ 1,218,508</u>	<u>\$ 1,125,749</u>

**TOWN OF ROUND MOUNTAIN, NEVADA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2021
(With Comparative Totals for June 30, 2020)**

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	2021 Totals	2020 Totals
Revenues				
Intergovernmental	\$ 153,652	\$ 16,161	\$ 169,813	\$ 162,452
Miscellaneous	<u>(2,658)</u>	<u>(925)</u>	<u>(3,583)</u>	<u>31,897</u>
Total revenues	<u>150,994</u>	<u>15,236</u>	<u>166,230</u>	<u>194,349</u>
Expenditures				
Public safety	57,585	-	57,585	29,131
Public works	<u>17,106</u>	<u>-</u>	<u>17,106</u>	<u>4,341</u>
Total expenditures	<u>74,691</u>	<u>-</u>	<u>74,691</u>	<u>33,472</u>
Excess (deficiency) of revenues over expenditures	76,303	15,236	91,539	160,877
Fund balance				
Beginning of year	<u>823,997</u>	<u>301,692</u>	<u>1,125,689</u>	<u>964,812</u>
End of year	<u>\$ 900,300</u>	<u>\$ 316,928</u>	<u>\$ 1,217,228</u>	<u>\$ 1,125,689</u>

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For the year ended June 30, 2021

NONMAJOR SPECIAL REVENUE FUND

Special revenue funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

Road Fund is used to account for gas tax money received and expenditures for maintenance of Town roads.

Public Safety Sales Tax Funds are used for sales taxes collected and expenses for public safety.

TOWN OF ROUND MOUNTAIN, NEVADA
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEETS
JUNE 30, 2021
(With Comparative Totals for June 30, 2020)

	Road	Public Safety Sales Tax Sheriff	Public Safety Sales Tax Fire	2021 Totals	2020 Totals
Assets					
Pooled cash and investments	\$ 609,678	\$ 112,244	\$ 148,494	\$ 870,416	\$ 798,495
Interest receivable	1,267	234	315	1,816	1,592
Due from other governments	<u>15,982</u>	<u>6,683</u>	<u>6,683</u>	<u>29,348</u>	<u>23,970</u>
Total assets	<u>\$ 626,927</u>	<u>\$ 119,161</u>	<u>\$ 155,492</u>	<u>\$ 901,580</u>	<u>\$ 824,057</u>
Liabilities					
Accounts payable	<u>\$ -</u>	<u>\$ 1,280</u>	<u>\$ -</u>	<u>\$ 1,280</u>	<u>\$ 60</u>
Fund Balance					
Restricted for public safety	-	117,881	155,492	273,373	266,509
Restricted for public works	<u>626,927</u>	<u>-</u>	<u>-</u>	<u>626,927</u>	<u>557,488</u>
Total fund balance	<u>626,927</u>	<u>117,881</u>	<u>155,492</u>	<u>900,300</u>	<u>823,997</u>
Total liabilities and fund balance	<u>\$ 626,927</u>	<u>\$ 119,161</u>	<u>\$ 155,492</u>	<u>\$ 901,580</u>	<u>\$ 824,057</u>

**TOWN OF ROUND MOUNTAIN, NEVADA
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2021
(With Comparative Totals for June 30, 2020)**

	Road	Public Safety Sales Tax Sheriff	Public Safety Sales Tax Fire	2021 Totals	2020 Totals
Revenues					
Intergovernmental	\$ 88,416	\$ 32,618	\$ 32,618	\$ 153,652	\$ 133,772
Miscellaneous	<u>(1,871)</u>	<u>(362)</u>	<u>(425)</u>	<u>(2,658)</u>	<u>23,828</u>
Total revenues	<u>86,545</u>	<u>32,256</u>	<u>32,193</u>	<u>150,994</u>	<u>157,600</u>
Expenditures					
Public safety	-	50,566	7,019	57,585	29,131
Public works	<u>17,106</u>	<u>-</u>	<u>-</u>	<u>17,106</u>	<u>4,341</u>
Total expenditures	<u>17,106</u>	<u>50,566</u>	<u>7,019</u>	<u>74,691</u>	<u>33,472</u>
Excess (deficiency) of revenues over expenditures	69,439	(18,310)	25,174	76,303	124,128
Fund balance					
Beginning of year	<u>557,488</u>	<u>136,191</u>	<u>130,318</u>	<u>823,997</u>	<u>699,869</u>
End of year	<u>\$ 626,927</u>	<u>\$ 117,881</u>	<u>\$ 155,492</u>	<u>\$ 900,300</u>	<u>\$ 823,997</u>

TOWN OF ROUND MOUNTAIN, NEVADA
NONMAJOR FUND - ROAD SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
JUNE 30, 2021 AND 2020

	2021	2020
Assets		
Pooled cash and investments	\$ 609,678	\$ 545,154
Interest receivable	1,267	1,088
Due from other governments	<u>15,982</u>	<u>11,246</u>
 Total assets	 <u>\$ 626,927</u>	 <u>\$ 557,488</u>
Liabilities		
Accounts payable	\$ -	\$ -
Fund Balance		
Restricted for public works	<u>626,927</u>	<u>557,488</u>
 Total liabilities and fund balance	 <u>\$ 626,927</u>	 <u>\$ 557,488</u>

TOWN OF ROUND MOUNTAIN, NEVADA
NONMAJOR FUND - ROAD SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021

(With Comparative Actual Amounts for the Year Ended June 30, 2020)

	2021		Variance - Positive (Negative)	2020 Actual
	Budget	Actual		
Revenues				
Intergovernmental:				
Gas tax \$1.75	\$ 45,000	\$ 88,416	\$ 43,416	\$ 70,322
Miscellaneous:				
Investment income (loss)	-	(1,871)	(1,871)	16,283
Total revenues	<u>45,000</u>	<u>86,545</u>	<u>41,545</u>	<u>86,605</u>
Expenditures				
Public works:				
Services and supplies	75,000	17,106	57,894	4,341
Capital outlay	<u>25,000</u>	-	<u>25,000</u>	-
Total expenditures	<u>100,000</u>	<u>17,106</u>	<u>82,894</u>	<u>4,341</u>
Excess (deficiency) of revenues over expenditures	(55,000)	69,439	124,439	82,264
Fund balance				
Beginning of year	<u>507,088</u>	<u>557,488</u>	<u>50,400</u>	<u>475,224</u>
End of year	<u>\$ 452,088</u>	<u>\$ 626,927</u>	<u>\$ 174,839</u>	<u>\$ 557,488</u>

TOWN OF ROUND MOUNTAIN, NEVADA
NONMAJOR - PUBLIC SAFETY SALES TAX SHERIFF SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
JUNE 30, 2021 AND 2020

	2021	2020
Assets		
Pooled cash and investments	\$ 112,244	\$ 129,631
Interest receivable	234	258
Due from other governments	<u>6,683</u>	<u>6,362</u>
Total assets	<u>\$ 119,161</u>	<u>\$ 136,251</u>
Liabilities		
Accounts payable	\$ 1,280	\$ 60
Fund Balance		
Restricted for public safety	<u>117,881</u>	<u>136,191</u>
Total liabilities and fund balance	<u>\$ 119,161</u>	<u>\$ 136,251</u>

TOWN OF ROUND MOUNTAIN, NEVADA
NONMAJOR - PUBLIC SAFETY SALES TAX SHERIFF SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021
(With Comparative Actual Amounts for the Year Ended June 30, 2020)

	2021		Variance - Positive (Negative)	2020 Actual
	Budget	Actual		
Revenues				
Intergovernmental:				
Public safety tax - Nye County	\$ 26,750	\$ 32,618	\$ 5,868	\$ 31,725
Miscellaneous:				
Investment income (loss)	<u>125</u>	<u>(362)</u>	<u>(487)</u>	<u>3,751</u>
Total revenues	<u>26,875</u>	<u>32,256</u>	<u>5,381</u>	<u>35,476</u>
Expenditures				
Public safety:				
Services and supplies	44,256	12,304	31,952	2,216
Capital outlay	<u>100,000</u>	<u>38,262</u>	<u>61,738</u>	<u>-</u>
Total public safety	<u>144,256</u>	<u>50,566</u>	<u>93,690</u>	<u>2,216</u>
Excess (deficiency) of revenues over expenditures	(117,381)	(18,310)	99,071	33,260
Fund balance				
Beginning of year	<u>117,381</u>	<u>136,191</u>	<u>18,810</u>	<u>102,931</u>
End of year	<u>\$ -</u>	<u>\$ 117,881</u>	<u>\$ 117,881</u>	<u>\$ 136,191</u>

**TOWN OF ROUND MOUNTAIN, NEVADA
NONMAJOR - PUBLIC SAFETY SALES TAX FIRE SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
JUNE 30, 2021 AND 2020**

	2021	2020
Assets		
Pooled cash and investments	\$ 148,494	\$ 123,710
Interest receivable	315	246
Due from other governments	<u>6,683</u>	<u>6,362</u>
Total assets	<u>\$ 155,492</u>	<u>\$ 130,318</u>
Liabilities		
Accounts payable	\$ -	\$ -
Fund Balance		
Restricted for public safety	<u>155,492</u>	<u>130,318</u>
Total liabilities and fund balance	<u>\$ 155,492</u>	<u>\$ 130,318</u>

TOWN OF ROUND MOUNTAIN, NEVADA
NONMAJOR - PUBLIC SAFETY SALES TAX FIRE SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021
(With Comparative Actual Amounts for the Year Ended June 30, 2020)

	2021		Variance - Positive (Negative)	2020 Actual
	Budget	Actual		
Revenues				
Intergovernmental:				
Public safety tax - Nye County	\$ 26,750	\$ 32,618	\$ 5,868	\$ 31,725
Miscellaneous:				
Investment income (loss)	-	(425)	(425)	3,794
Total revenues	<u>26,750</u>	<u>32,193</u>	<u>5,443</u>	<u>35,519</u>
Expenditures				
Public safety:				
Services and supplies	48,799	-	48,799	5,930
Capital outlay	<u>100,000</u>	<u>7,019</u>	<u>92,981</u>	<u>20,985</u>
Total expenses	<u>148,799</u>	<u>7,019</u>	<u>141,780</u>	<u>26,915</u>
Excess (deficiency) of revenues over expenditures	(122,049)	25,174	147,223	8,604
Fund balance				
Beginning of year	<u>122,049</u>	<u>130,318</u>	<u>8,269</u>	<u>121,714</u>
End of year	<u>\$ -</u>	<u>\$ 155,492</u>	<u>\$ 155,492</u>	<u>\$ 130,318</u>

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For the year ended June 30, 2021

NONMAJOR CAPITAL PROJECTS

Capital Projects Funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds and trust funds.

The Capital Projects Fund is used to account for general acquisitions of the Town as well as purchases of public safety equipment.

Special Ad Valorem Capital Projects Fund is used to account for a special tax levy to be used for capital improvements.

**TOWN OF ROUND MOUNTAIN, NEVADA
NONMAJOR CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEETS**

JUNE 30, 2021

(With Comparative Totals for June 30, 2020)

	Capital Projects Fund	Special Ad Valorem Capital Projects Fund	2021 Totals	2020 Totals
Assets				
Pooled cash and investments	\$ 86,462	\$ 229,838	\$ 316,300	\$ 301,146
Interest receivable	<u>181</u>	<u>447</u>	<u>628</u>	<u>546</u>
Total assets	<u>\$ 86,643</u>	<u>\$ 230,285</u>	<u>\$ 316,928</u>	<u>\$ 301,692</u>
Liabilities				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Fund Balance				
Restricted for capital projects	<u>86,643</u>	<u>230,285</u>	<u>316,928</u>	<u>301,692</u>
Total liabilities and fund balance	<u>\$ 86,643</u>	<u>\$ 230,285</u>	<u>\$ 316,928</u>	<u>\$ 301,692</u>

**TOWN OF ROUND MOUNTAIN, NEVADA
NONMAJOR CAPITAL PROJECTS FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2021
(With Comparative Totals for June 30, 2020)**

	Capital Projects Fund	Special Ad Valorem Capital Projects Fund	2021 Totals	2020 Totals
Revenues				
Intergovernmental	\$ -	\$ 16,161	\$ 16,161	\$ 28,680
Miscellaneous	(306)	(619)	(925)	8,069
Total revenues	(306)	15,542	15,236	36,749
Expenditures				
Capital projects	-	-	-	-
Excess (deficiency) of revenues over expenditures	(306)	15,542	15,236	36,749
Fund balance				
Beginning of year	86,949	214,743	301,692	264,943
End of year	<u>\$ 86,643</u>	<u>\$ 230,285</u>	<u>\$ 316,928</u>	<u>\$ 301,692</u>

**TOWN OF ROUND MOUNTAIN, NEVADA
NONMAJOR FUND - CAPITAL PROJECTS FUND
COMPARATIVE BALANCE SHEETS
JUNE 30, 2021 AND 2020**

	2021	2020
Assets		
Pooled cash and investments	\$ 86,462	\$ 86,775
Interest receivable	<u>181</u>	<u>174</u>
Total assets	<u>\$ 86,643</u>	<u>\$ 86,949</u>
Liabilities		
Accounts payable	\$ -	\$ -
Fund Balance		
Restricted for capital projects	<u>86,643</u>	<u>86,949</u>
Total liabilities and fund balance	<u>\$ 86,643</u>	<u>\$ 86,949</u>

TOWN OF ROUND MOUNTAIN, NEVADA
NONMAJOR FUND - CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021
(With Comparative Actual Amounts for the Year Ended June 30, 2020)

	2021		Variance - Positive - (Negative)	2020 Actual
	Budget	Actual		
Revenues				
Miscellaneous:				
Investment income (loss)	\$ -	\$ (306)	\$ (306)	\$ 2,740
Expenditures				
Capital projects	-	-	-	-
Excess (deficiency) of revenues over expenditures	-	(306)	(306)	2,740
Fund balance				
Beginning of year	<u>84,029</u>	<u>86,949</u>	<u>2,920</u>	<u>84,209</u>
End of year	<u>\$ 84,029</u>	<u>\$ 86,643</u>	<u>\$ 2,614</u>	<u>\$ 86,949</u>

**TOWN OF ROUND MOUNTAIN, NEVADA
NONMAJOR FUND - SPECIAL AD VALOREM CAPITAL PROJECTS FUND
COMPARATIVE BALANCE SHEETS
JUNE 30, 2021 AND 2020**

	2021	2020
Assets		
Pooled cash and investments	\$ 229,838	\$ 214,371
Interest receivable	<u>447</u>	<u>372</u>
Total assets	<u>\$ 230,285</u>	<u>\$ 214,743</u>
Liabilities		
Accounts payable	\$ -	\$ -
Fund Balance		
Restricted for capital projects	<u>230,285</u>	<u>214,743</u>
Total liabilities and fund balance	<u>\$ 230,285</u>	<u>\$ 214,743</u>

TOWN OF ROUND MOUNTAIN, NEVADA
NONMAJOR FUND - SPECIAL AD VALOREM CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021
(With Comparative Actual Amounts for the Year Ended June 30, 2020)

	2021		Variance - Positive (Negative)	2020 Actual
	Budget	Actual		
Revenues				
Intergovernmental:				
County	\$ 20,000	\$ 16,161	\$ (3,839)	\$ 28,680
Miscellaneous:				
Investment income (loss)	-	(619)	(619)	5,329
Total revenues	20,000	15,542	(4,458)	34,009
Expenditures				
Capital projects	-	-	-	-
Excess (deficiency) of revenues over expenditures	20,000	15,542	(4,458)	34,009
Fund balance				
Beginning of year	180,734	214,743	34,009	180,734
End of year	<u>\$ 200,734</u>	<u>\$ 230,285</u>	<u>\$ 29,551</u>	<u>\$ 214,743</u>

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For the year ended June 30, 2021

DANIEL C. McARTHUR, LTD.
Certified Public Accountant

Quail Park III • 501 So. Rancho Dr., Ste. E-30 • Las Vegas, NV 89106 • (702) 385-1899 • FAX (702) 385-9619

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND
ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Honorable Board Members
Town of Round Mountain, Nevada
Round Mountain, Nevada

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Round Mountain, Nevada (the Town), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, and have issued our report thereon dated January 3, 2022.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink, appearing to read "Daniel M. [unclear]".

Las Vegas, Nevada
January 3, 2022

DANIEL C. McARTHUR, LTD.
Certified Public Accountant

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INDEPENDENT AUDITOR'S COMMENTS

Honorable Board Members
Town of Round Mountain, Nevada
Round Mountain, Nevada

In connection with our audit of the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Town of Round Mountain, Nevada (the Town) as of and for the year ended June 30, 2021, and the related notes to the financial statements, nothing came to our attention that caused us to believe that the Town failed to comply with the specific requirements of Nevada Revised Statutes referenced below in so far as they relate to accounting matters. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the Town's noncompliance with the requirements of Nevada Revised Statutes noted below, in so far as they relate to accounting matters.

CURRENT YEAR STATUTE COMPLIANCE

The Town did not have compliance findings in the current year.

PROGRESS ON PRIOR YEAR STATUTE COMPLIANCE

The Town did not have compliance findings in the prior year.

CURRENT YEAR RECOMMENDATIONS

We noted no material weakness and no significant deficiency in internal controls.

PRIOR YEAR RECOMMENDATIONS

We noted no material weakness and no significant deficiency in internal controls.

NEVADA REVISED STATUTE 354.59815 – SPECIAL AD VALOREM CAPITAL PROJECTS FUND

Special Ad Valorem Capital Projects Fund

The Town established the Special Ad Valorem Capital Projects Fund in accordance with Nevada Revised Statutes 354.59815. There were no projects funded during the year. The Town plans to accumulate money in the fund for future projects.

NEVADA REVISED STATUTE 354.6113-CAPITAL PROJECTS

Capital Projects Fund

The Town established the Capital Projects Fund in accordance with Nevada Revised Statutes 354.6113. There were no projects funded during the year. Planned sources of revenue for the following year are fund balance carryover. There are planned expenditures for infrastructure improvements.



Las Vegas, Nevada
January 3, 2022